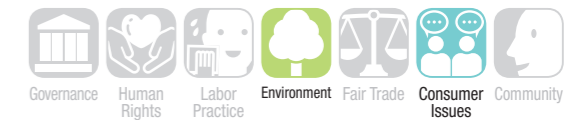


Relationships with Customers and Suppliers



Social Requirements

- Importance of product quality and management quality
- Expansion of safety and security needs in social infrastructure
- Legislation to promote energy-saving policy

The FDK Approach

- Providing services and value to customers as a Smart Energy Partner supplying batteries and electronic devices that contribute to society in various forms

Highlights of Relationships with Customers and Suppliers

Number of presentations at exhibitions 8	Number of products developed to contribute to improved energy efficiency 4	Number of products developed to contribute to improved resource efficiency 3	Number of ISO9001-certified production sites 9
Number of IATF16949-certified production sites 3	Number of Quality Assurance Division meetings among business divisions 16	Number of work-site improvement action briefing sessions with top management participation 21	Number of quality assurance reviews implemented 500

Initiatives supporting Relationships with Customers and Suppliers

FDK Group will continue to provide services and value that bring satisfaction to customers while earning their trust as we respond flexibly and rapidly to a variety of environmental changes. 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.

Supplying Batteries and Electronic Devices Which Contribute to Society Across Multiple Platforms

Basic Concept

The FDK Group strives to build product development, supply and quality assurance systems in line with market need and solutions to societal issues, promoting green procurement based on concepts for continually developing and supplying high-quality, safe, environmentally-friendly batteries and electronic devices able to satisfy customers.

FDK Group Initiatives

FDK Group continues to provide batteries and electronic devices that use environmentally-friendly materials by complying with environmental laws and regulations to further heighten value as a company cultivating the future. As part of its business, FDK Group works to develop products able to provide new added value derived from the accumulation over time of technologies that differentiate FDK.

“Offering Safety” and “Fulfilling Our Responsibility to the Environment” with Unique Differentiated Technology

FDK is a globally unique corporate group with its own combination of technologies for batteries and electronic devices.

For example, differentiated technology that utilizes this uniqueness has succeeded in making FDK power storage systems a technology that integrates the advantages of both batteries and electronic devices.

FDK strives in product development with care to always provide environmentally-friendly products in demand by customers as well as the market.

Introduction to FDK customers in FY2018

FDK participated in several exhibitions in FY2018, including the “BATTERY JAPAN”, the world’s largest exhibition for the development and manufacture of secondary batteries and storage batteries, and the “TECHNO-FRONTIER 2018” advanced electronic devices and components exhibition. FDK also exhibited at the “Wearable Device and Technology Expo” showing the latest in wearable electronics applications, and three more overseas exhibitions. By introducing battery and electronic device technologies and products at these venues, the FDK Group was able to showcase technological strengths, as well as products and solutions that help address societal issues.



BATTERY JAPAN

Product Development for the Next Generation

▶ Samples of small all-solid-state SMD battery with high energy density become available

FDK began offering samples of its newly developed all-solid-state batteries, and announced the development of high-capacity versions in May 2019. All-solid-state batteries do not leak liquids, and are safer than existing lithium-ion batteries that primarily use flammable organic materials. Combining FDK’s own battery and electronics technologies, these are the world’s highest class of products (Source: FDK survey, May 2019).

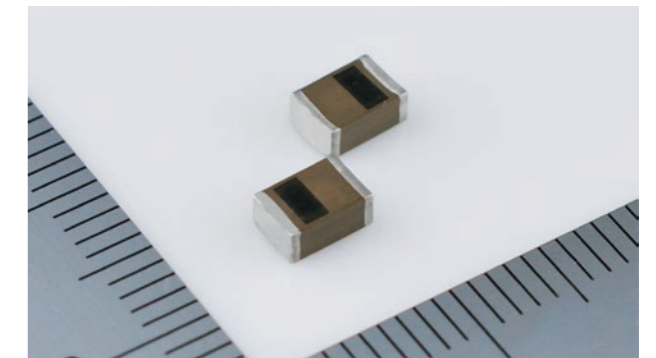


Photo: All-solid-state battery sample

FY2018 targets and achievements

Products

- FDK Group continues to promote valuable products that conform to market needs in industrial markets with high potential
- FDK Group releases synergy products that make use of proprietary technologies from the Batteries and Electronic Devices Businesses into the industrial market to respond to market needs
- FDK Group develops new magnetic materials having both high performance and high quality and advances its products.
- FDK Group develops power supply products with greater added value by taking advantage of large-scale power supply technologies

Action

- FDK Group realizes technological development proposals adapted to needs by enhancing market research and rapidly discovering customer and market trends.
- FDK Group reinforces relationships built on trust through sales activities that surpass customer and market expectations.
- FDK Group continually makes improvements based on its Business Continuity Plan (BCP) to recover as quickly as possible in the event various risks manifest.

Products

- Ni-MH batteries
We have worked to develop products that address customer desires and environmental issues. These efforts include the development and supply of reduced-cost product models for the household electronics market. We have also worked on developing and mass-producing products for the infrastructure market, including such applications as in-vehicle, disaster prevention and security uses, as well as back-up power supply.
- Alkaline batteries
We moved forward with development of materials for development of safer, more secure products and reduced-cost models featuring improvements in leakage resistance performance and long-term storage performance. We have also developed eco-conscious packaging, and begun shipping products using it.
- Lithium batteries
We moved forward on schedule with development of products for smart meters both domestically and internationally. We also advanced the development of secondary batteries in the card and wearable markets, including our exhibit at BATTERY JAPAN.

Electronic Products

- We made progress in the development of ferrite, coil devices and multilayer power inductors that contribute to the reduction of customer power consumption. We also developed various types of module products that contribute to miniaturization of our customers’ products, and began shipments of sensor devices used at corporate shareholders’ meetings.
- Research and development
We have developed and shipped samples of highly safe small all-solid-state SMD battery as we made progress with efforts toward mass production of next-generation batteries that help resolve challenges faced by customers and by society. We have also begun working toward the development of metal-hydride air secondary battery with promising potential future uses in social infrastructure.

Action

We have revised our organizational structure to strengthen marketing, rapidly identify customer and market trends, and achieve technological development proposals tailored to needs. This year, we continued with the BCM operations built during the previous fiscal year.

As a result of these initiatives, we developed four products in FY2018 that contribute to improved energy efficiency, and three products that contribute to improved resource efficiency.

Development with Consideration for Quality and Safety

The FDK Group Quality Policy

Quality Policy: "We will provide customers with quality they can rely on." Based on the FDK Group Corporate Conduct Guidelines and the FUJITSU Way, which represents the common corporate philosophy and orientation of the Fujitsu Group, we continually strive to ensure product and service quality and safety in all aspects of our business activities. This is how we work to build an abundant future together with customers and society as we increase corporate value.

▶ 1. Quality and Safety Policies

The FDK Group spares no effort in pursuing and achieving quality and safety of products and services (referred to as "quality" below) in line with the following sevenfold policy orientation:

1) Pursuing quality from the customer's perspective

As a partner to our customers, we continually strive to create quality that enables them to use our products and services in safety and security.

2) Creating quality in anticipation of change

In anticipation of changes in the environments in which our customers operate, we pursue a broad spectrum of quality that encompasses beauty, ease of use and ease of understanding.

3) Fulfilling social responsibilities through quality assurance

In addition to the standards specified under the various quality-related laws and regulations domestically and overseas, we have established standards of our own, adherence to which enables us to provide our customers with products and services they can use in safety and security.

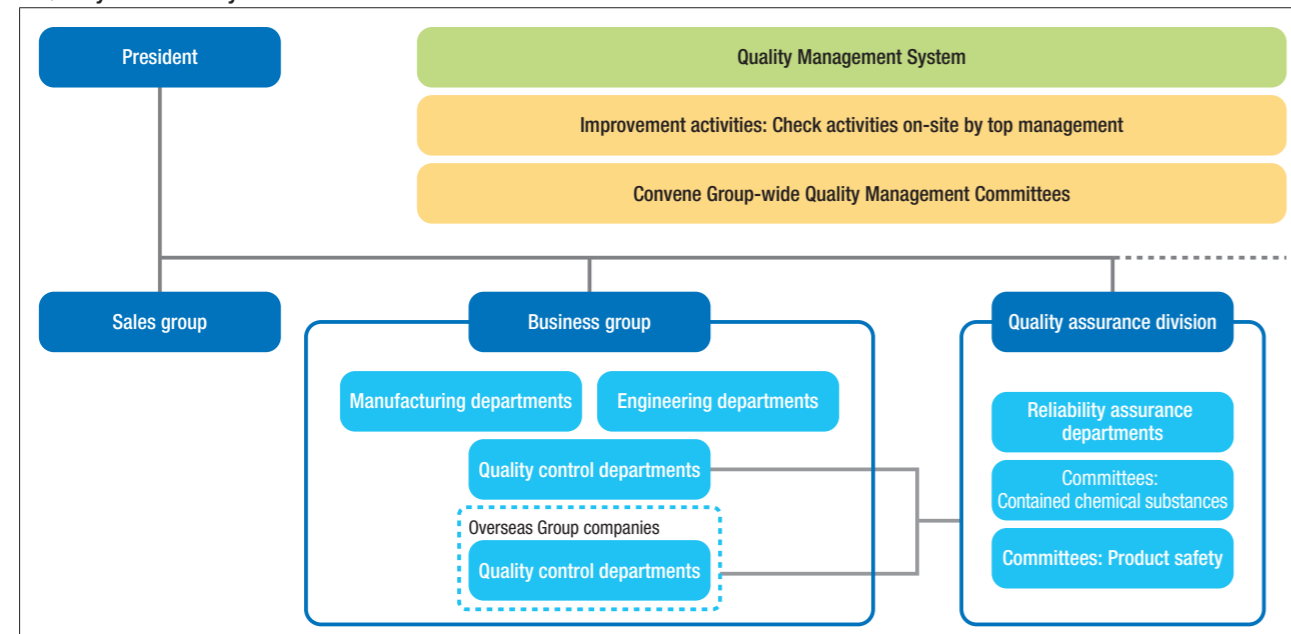
4) Continuous improvement under the three-reality principle (i.e., actual place, actual things, actual situation)

We proactively collect, understand and analyze information such as product and service quality data and customer opinion in order to continually improve product and service quality.

5) Quality improvement in collaboration with business partners

We undertake efforts to cumulatively build trust and improve quality by sharing our conception of quality with our business partners.

Quality assurance system

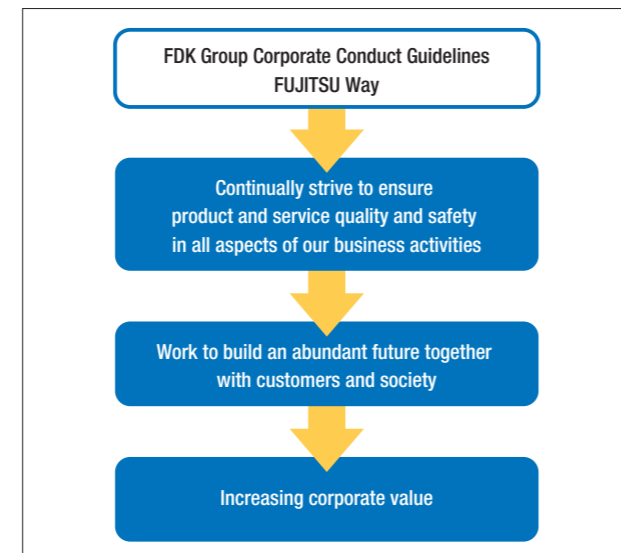


6) Disclosing and responding to quality information

We promptly and responsively disclose appropriate, necessary quality information so that our customers can use our products and services in safety and security.

7) Developing personnel who are mindful of quality

Working to elevate quality-mindedness and improve quality technology, we develop personnel who are always mindful of quality in their actions.



▶ 2. Quality Assurance System

The FDK Group has built a quality assurance system to ensure appropriate application of quality and safety policies and continually undertake quality assurance activities.

▶ 3. Acquisition Status of ISO 9001/IATF 16949

FDK strives for ongoing process improvements based on the Quality Management System (QMS). As of May 2019, all 9 sites, including

locations overseas, have acquired the ISO9001 certification and 3 of those sites have acquired the IATF16949 certification.

▶ 4. Quality Assurance Initiatives

(1) Quality assurance system

In order to provide quality products and services that satisfy the function and performance requirements and other needs of customers, FDK fosters cooperation between management and various departments. This necessitates the participation of every employee in activities across every stage of its corporate activities. Thus, it needs the systems and frameworks to unify the organization for ongoing activities.

FDK has built and operates QMS as noted in item 3, and will achieve and assure quality able to satisfy customers at each step from product planning to manufacture, shipment and aftercare services. In operating these QMS processes, we run through a PDCA (Plan, Do, Check, Action) management cycle with the aim of higher quality and ongoing improvements.

(2) Quality assurance promotion system

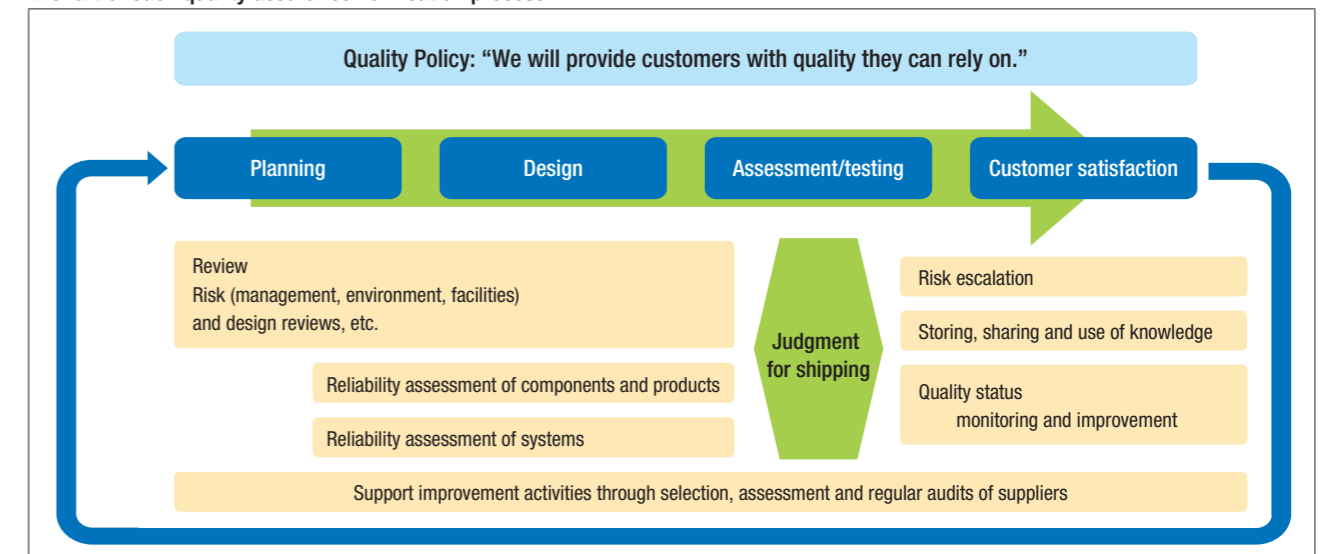
FDK engages in collaborative activities linked to those of each business site, including those overseas across a diverse product line-up. Quality assurance divisions regularly have meetings with all business divisions that drive these activities and actively work to share information, formulate quality 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 examples of defects as well as expertise. Group-wide Quality Management Committees have been set up, hosted by top management, as part of a management-led approach that transcends product categories.

Improvement Processes of Actions to Strengthen Quality Assurance

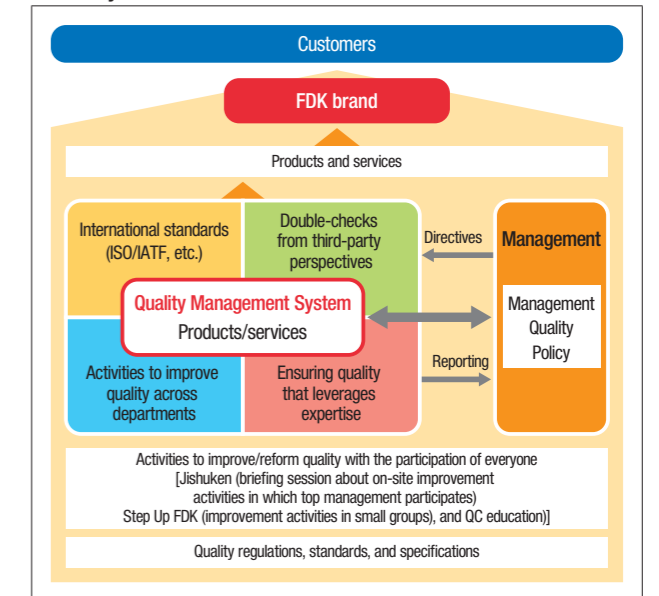
▶ 1. Quality assurance activities for products and services through objective points-of-view

FDK conducts reviews from broad standpoints that involve not only a single department but all other departments through the entire verifi-

Chart of each quality assurance verification process



Quality assurance framework



cation process from planning to mass production in accordance with quality standards and regulations while reinforcing greater objectivity in these assessments to supply quality that provides trust for customers, which is the quality policy of the FDK Group. About 500 items are verified by design review, a representative step in quality assurance activities in one year.

▶ 2. Green Procurement Initiatives

FDK Group contributes to the development of a more sustainable society by conducting business activities that consider the environmental burden and providing environmentally-friendly products.

FDK Group is providing environmentally-friendly products to customers through the use of materials that consider the environment based on the "FDK Group Green Procurement Standards".