



TOP MESSAGE

We will accelerate the cultivation of our corporate culture and further enhance our corporate value.

Under our philosophy of “inspiring transformation; shaping the future and creating happiness,” we will further enhance our corporate value by accelerating the cultivation of a corporate culture in which every employee strives independently to satisfy customers, thereby creating an “And Game” that satisfies all of our Group’s stakeholders.

December 2022 FDK CORPORATION President & CEO **Ryo Nagano**

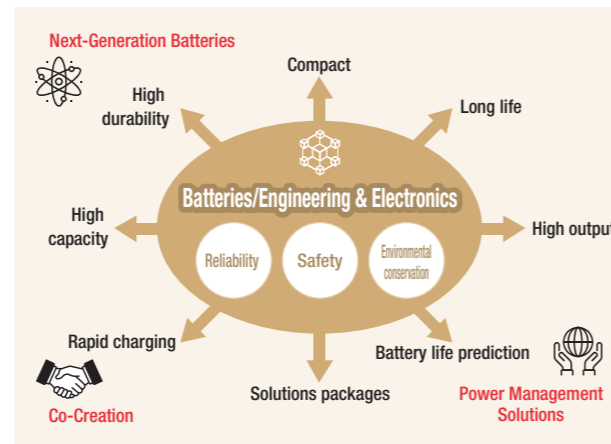
In October 2019, in order to further strengthen our business structure and improve the corporate value of the FDK Group, we further refined our vision for the FDK Group. In order to meet the expectations of our various stakeholders, we have formulated a “10 years’ scheme” as the ideal form of the company in 10 years’ time, and to make this a reality, a mid-term business plan, “R1,” for the first three years (FY2020–FY2022) of this period.

FY2021, the second year of the R1 mid-term business plan, was a year of social structural changes triggered by the COVID-19 pandemic, surging raw material prices and difficulties in procuring electronic and plastic parts, logistics disruptions such as container shortages and port congestion becoming the norm, soaring international energy prices due to the situation in Ukraine, and further expanded efforts to address sustainability, ESG, and the SDGs.

Making the Ideal Form of the FDK Group a Reality

Our 10 years’ scheme sets forth an ideal form for the FDK Group, including the reliability, safety, and environmental conservation that we have always offered. By combining these with various new functions and characteristics, we are striving to develop environmentally friendly products that can be used in a wider range of applications and meet the increasingly diverse needs of our customers.

To improve the performance of existing battery products, we have worked on materials development, analytical evaluation, and elemental technology development using CAE. In Ni-MH batteries, we have developed high-temperature, highly durable, long-life batteries for the in-vehicle accessories and power backup markets, and mass-produced battery systems for the transportation infrastructure market. In lithium batteries, we have worked to improve



energy density to meet the growing demand for smart meters in Japan and overseas, and in alkaline batteries, we have improved discharge performance and resistance to leakage.

In next-generation batteries, we applied our Ni-MH and alkaline battery technologies to develop nickel-zinc batteries that use nickel hydroxide for the positive electrode and zinc for the negative electrode, as well as metal-hydride/air secondary batteries that use oxygen from the air for the positive electrode and hydrogen-absorbing alloy for the negative electrode. We are preparing for sample shipment and mass production of nickel-zinc batteries, while metal-hydride/air secondary batteries for stationary power sources are being tested as part of an environmental commissioning project to further reduce costs and improve performance. We are also working on improving the durability of our compact all-solid-state SMD battery SoLiCell® under harsh

environmental conditions in order to support a wider range of applications.

In the area of next-generation technology development, we are applying our electrical energy supply, storage, and control technologies to the research and development of power management services and products for all types of battery devices. In FY2021, we made progress in the prototyping and development of battery modules equipped with a battery management system based on our cell balance patent, and also in our search for elemental technologies to make battery modules smarter.

The FDK Group’s Initiatives: From CSR Management to Sustainability Activities

The FDK Group has set out the FDK Group CSR Policy, and has defined seven prioritized initiatives based on the CSR Policy that we will focus on when putting it into practice. By addressing these issues, we will pursue responsible management as a global company. In order to move forward with these initiatives, the FDK Group has established the CSR Promotion Committee, which works to ensure that the FDK Group Corporate Conduct Guidelines, which form the basis of the Group’s CSR activities, and the “FUJITSU Way,” the Fujitsu Group’s philosophy, become widespread and firmly established, and regularly reviews the status of initiatives based on the seven prioritized initiatives set forth in the CSR Policy. The seven initiatives are “Contributing to the Materialization and Development of a Sustainable Society,” “Protecting the Global Environment,” “Embracing Diversity and Inclusion,” “Developing Human Resources for Their Contribution to Society and the Planet,” “Commu-

nicating and Collaborating with Stakeholders,” “Ensuring Compliance,” and “Strengthening Corporate Governance.” By advancing responsible initiatives in these areas and practicing “CSR through core business” that contributes to solving social issues, we have been striving to realize our vision.

In January 2022, we launched the “Sustainability Promotion Preparatory Committee” to develop and evolve our existing CSR activities into sustainability activities. The committee evaluates social issues to be addressed by the company from the perspectives of both importance in terms of social demands and importance in terms of corporate activities. In this way, the committee began to examine the materialities that the Group should address over the medium to long term, and in March 2022, it identified the following five issues as the Group’s 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,” and “5. Contribution to the sustainability of local communities and society.” In April 2022, we officially established the Sustainability Promotion Committee and initiated sustainability activities to realize the Group’s identified materialities. From FY2022 onward, the activities of this committee will promote initiatives that contribute to sustainability and the SDGs and solve social issues more than ever before, thereby enhancing our corporate value.

I hope that this report will foster an understanding of the FDK Group CSR activities. I would also like to ask all of our stakeholders for their candid feedback and insights for the sake of future FDK Group CSR initiatives.