

# 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

- FDK 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 FY2021

8

Number of ISO 9001-certified production sites

7

Number of IATF16949-certified production sites

4

Number of ISO 14001-certified production sites

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 2022)

#### Ni-MH Batteries

#### Cumulative Global Shipments Reach 2 Billion Units

In June 2021, we achieved cumulative shipments of 2 billion units of our Ni-MH batteries, which are used in a wide range of applications, including built-in products for dry-cell battery-compatible commercial and consumer electronics applications, in-vehicle applications, power supply backup, and security applications.

Thanks to FDK's unique technology, our Ni-MH batteries can be used in a wide range of temperatures, and have been well received by many customers for the characteristics and quality that meet various customer needs, as well as for the extensive product lineup. Since the start of shipments in January 2010, we were able to reach 1 billion units in December 2015 and cumulative global shipments of 2 billion units in June 2021.

We are committed to manufacturing in Japan so that our products can be used safely and reliably in all applications. Japanese craftsmanship, which prides itself on precision and care, has ensured the high quality of our prod-

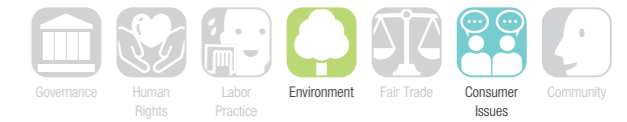
ucts, and from the perspective of the SDGs, our rechargeable batteries are attracting increasing attention in Europe and the United States for their high recyclability. We aim to achieve a cumulative total of 3 billion global shipments by 2026.



#### Sales Begin of High-Capacity Cylindrical-type Primary Lithium Battery CR2/3 8LHT

We have added the new high-capacity cylindrical-type primary lithium battery CR2/3 8LHT to our lithium battery product lineup and began sales in September 2021.

We have already commercialized and sold the CR8LHT (2,850 mAh), a high-capacity cylindrical-type primary lithium battery that has a low self-discharge rate and long-term storage capability, for smart meter and security equipment applications. In order to provide a battery suitable for devices with relatively low power consumption, we have developed the CR2/3 8LHT (1,800 mAh), which is 11.5 mm shorter than the CR8LHT. This product allows devices to be made smaller, helping to enhance the convenience of the IoT society. In addition, the use of a unique resin gasket with excellent heat resistance enables long-term use of the product in devices installed both indoors and outdoors. In addition, this product has been certified under the UL, a safety standard in the United States.



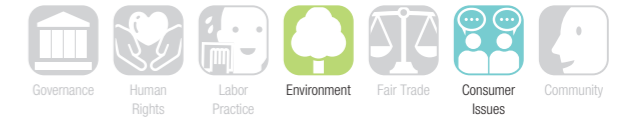
#### Alkaline Batteries with Ultraman and Ultraseven Designs Released

In April 2022, FDK launched alkaline batteries featuring designs of Ultraman and Ultraseven, characters of Tsuburaya Productions.

Ultraman and Ultraseven are the heroes of Tsuburaya Productions' tokusatsu TV dramas, and are popular among a wide range of children and adults. The years 2021 and 2022 mark the 55th anniversary of the first broadcast of Ultraman and Ultraseven, respectively. For many years, we have provided Tsuburaya Productions with alkaline batteries to support the filming of their tokusatsu TV dramas, and we have commercialized these batteries to commemorate the 55th anniversary of Ultraman and Ultraseven.

These products can be stored for as long as 10 years. The adoption of rare metal coating in the cathode case suppresses increases in internal resistance due to oxidation and outflow of impurities from the inside of the battery, resulting in improved discharge performance and leakage resistance after long-term storage. Because this product offers superior discharge performance across a wide range of currents, it can be used in all aspects of daily life as well as for emergency stockpiling.





**FY2021 Achievements**

- **Ni-MH batteries**  
FDK strove to develop high-temperature, high-durability, long-life batteries for the in-vehicle accessories and power backup systems markets, and to mass-produce battery systems for the transportation infrastructure market.
- **Alkaline batteries**  
We have made progress in improving discharge characteristics and leakage resistance.
- **Lithium batteries**  
We worked to improve energy density in order to meet the demands of the smart meter market, which is growing both in Japan and overseas.
- **Electronic devices**  
We have continued to select and focus on each product model to expand sales of various modules for mobility and semiconductor equipment applications, for which demand is growing.
- **All-solid-state batteries**  
To support a wider range of applications, we have continued to work on improving durability in harsh environmental conditions.
- **Research and development**  
We conducted prototyping and development of battery modules equipped with a battery management system based on our cell balance patent, as well as a search for elemental technologies to make battery modules smarter.

**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 environmental-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**

1. We will make quality requests from customers our highest priority and take swift pertinent action to heighten customer satisfaction.
2. 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.
3. We will continually enhance risk management throughout various aspects of compliance from product safety to the chemical substances contained in products.
4. We will improve manufacturing to thoroughly reduce any loss of quality, such as process waste and losses from complaints.
5. 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 co-operation 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.

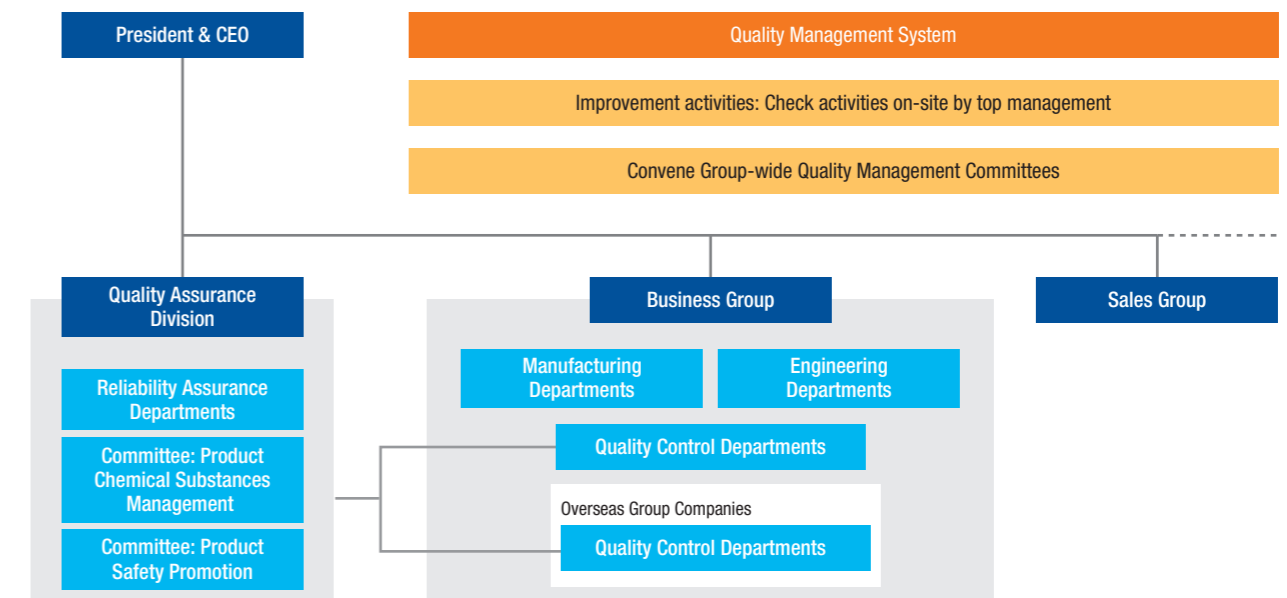
Quality assurance divisions actively work to share information with all business divisions to drive these activities, formulate quality proposals, escalate responses in the event of problems and quality issues related to compliance, conduct education to nurture human resources, and horizontally share other information such as expertise and examples of defects. FDK has established a Group-wide Quality Management Committees hosted by top management to approach quality management from a Group-wide management perspective.

**Improvement Processes of Actions to Strengthen Quality Assurance**

1. 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 more 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**

