

Mid-Term Business Plan (FY2013-FY2015)

FDK Group Announces its New Mid-Term Business Plan through FY2015 (March 31, 2016).

1. Development Background of Mid-Term Business Plan (FY2013-FY2015)

Beginning with the challenges in 2010, FDK initiated START10 Management Plan to combat rising costs and slumping revenues. FDK has pushed forward its business restructuring through the shutdown of two (2) factories and the continued promotion of Alliance by FY2009.

Through the first year of START10, FDK achieved the plan outline. Unfortunately, due to the Great East Japan Earthquake, major flooding in Thailand coupled with the unprecedented rise in Rare Earth Metals and strengthening of the Japanese Yen (JPY) in 2011, these factors severely impacted the macro-economics of our business.

In consideration of these adverse factors, FDK has tried to introduce several appropriate measures for each market segment; Primary (single-use) & Secondary (rechargeable) batteries, & Lithium Ion (Li-Ion) Capacitors. FDK has also led a reorganization of the Sanyo Factory to further the core development and manufacturing of high-efficiency ferrite materials. Unfortunately, the market climate continued its downward trend in 2011 and FDK was unable to achieve its desired results. 2012 ushered additional concerns through the Global Debt Crises across Europe and North America. At present, achievement of START10 is under a severe state of affairs and may prove unachievable. FDK has taken proactive measures through the reduction of inventories, innovations in production and product cost reductions and various other initiatives to ensure at least minimal profit levels through these difficult times.

With these interventions and the introduction of new products (NPI), FDK is confident to overcome the current business challenges. FDK anticipates further market growth and profit recovery in 1HF FY2013. Based on the original START10 initiative, FDK has developed a new Mid-Term Business Plan (FY2013-FY2015) that will support the elasticity necessary under the current macro-economic environment.

2. Mid-Term Business Plan (FY2013-FY2015)

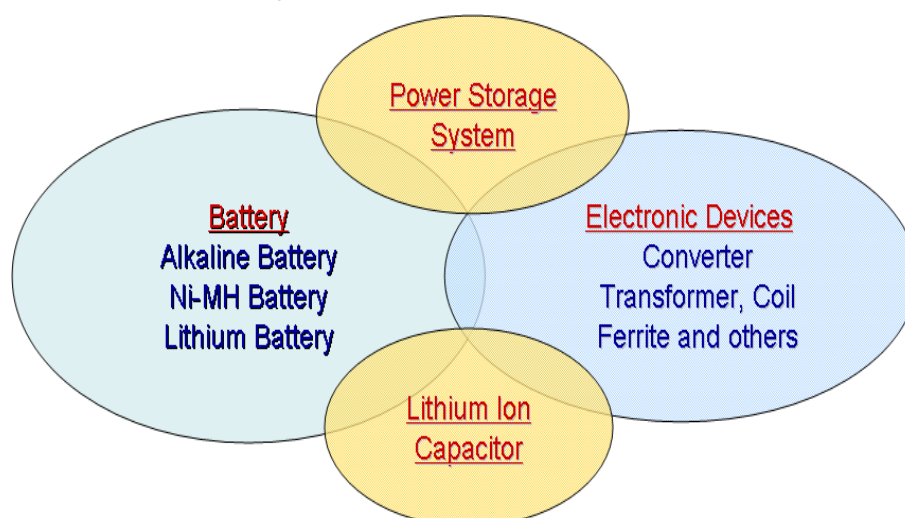
1) Corporate Mission

Following the Great East Japan Earthquake, new opportunities for next-generation applications became essential, leading FDK to develop products in "Energy Creation" (high efficiency DC/DC & AC/DC conversion), "Energy Storage" (new battery backup {BBU} power storage) and "Smart Energy" (allow the shift from grid power/balancing electricity loads for energy cost savings in home/office/factory).

As a result, FDK has heavily invested in the development of "Smart Grid" applications which resonated with FDK's core competences. Despite the current business climate, FDK will accomplish its Corporate Mission resulting in increases in revenue and following FDK's Mission Statement* to become the "Leader in Energy Management Systems Across Multiple Platforms" providing customers with high-efficiency intrinsically safe products.

2) Business Domain

The existing business domain for FDK includes (Primary & Secondary) Batteries, Electronic Devices and "New Business Development" (Power Storage System and Li-Ion Capacitor). The creations of the "New Business Development" segments were established through existing synergies and the development of new technologies. Current planning for these segments includes adaptability in each domain to achieve the Corporate Mission even if the business environment continues to change in the future.



3) Outline of Mid-Term Business Plan

① Growth Strategy & Business Domain Expansion

- Market Introduction of New Products Utilizing Existing Synergy & Technology
- Creation of High Value-Added Products Utilizing FDK's Core (Material) Technology
- New Product Development & Expand Mass Production of Li-Ion Capacitor
- Expansion of Existing Markets through New Products (BBU & Li-Ion Capacitor)

② Strengthen Cost Competitiveness

- Establish Automated Production Lines (vs. current labor-intensive production equipment)
- Develop & Secure New Suppliers/Processes to Lower Manufacturing Costs within Existing Businesses
- Increase Product Valuation & Establish Differentiation in Product Technology and Quality
- Bolster FDK's Human Resources Overseas (realignment of personnel within FDK group)

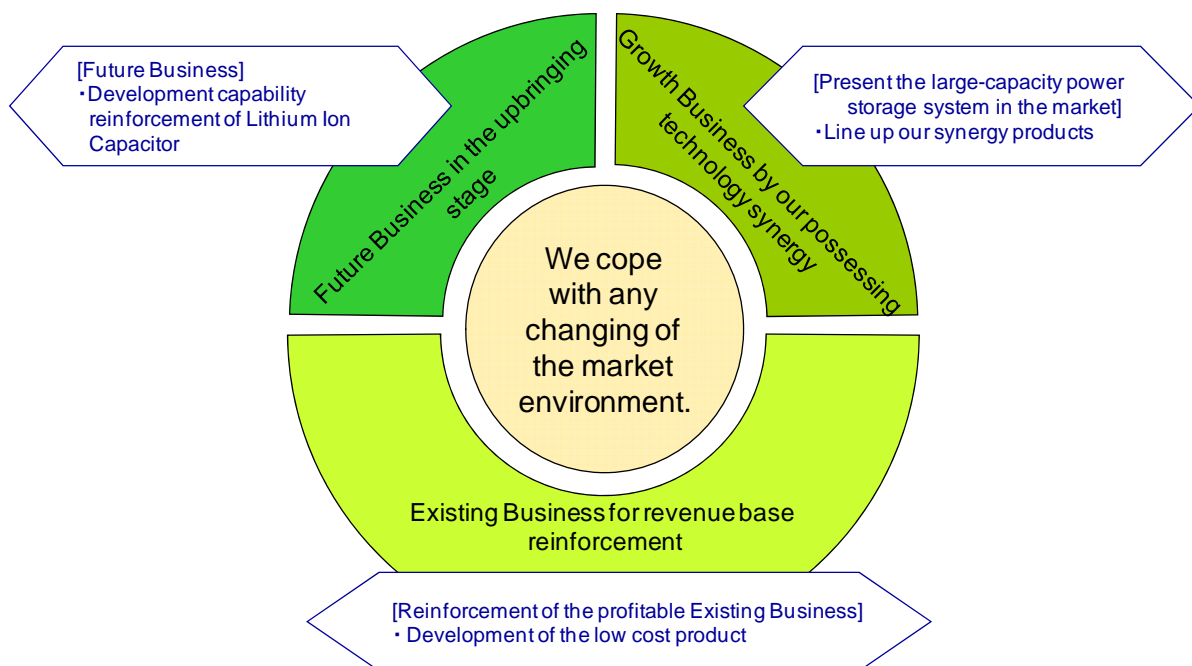
③ Accelerate Building Alliances

- Strengthen creating relationship allies/partnership with other corporate for more comprehensive solutions provisions.

FDK will introduce our product which we developed newly in synergy of Batteries, Electronic Devices for each home, each office and each factory into social infrastructure apparatus, device positively to meet Power Storage System needs in the future society in addition to reinforcement of our existing business.

4) Business Structure

FDK will advance the restructuring plan with focus on organizational and cost competitiveness strategies. Through these improvements FDK will improve its revenue and profitability.



5) Financial Targets for Mid-Term Business Plan (FY2013-FY2015)

Consolidated Sales: 110 Billion JPY
Operating Income Ratio: >7%

Financial targets to be achieved by FY2015 (the last year of Mid-Term Business Plan).

**FDK's Mission Statement: FDK group contributes to development of electronics realizing 3E (3E: Environmental Conservation, Energy Saving, Economic Development) through the development and supply of Battery and Electronic Devices based on customer satisfaction.*