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For Release:

FDK CORPORATION

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(Securities code: 6955, Tokyo Stock Exchange Standard Market)

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FDK Group's Strategic Framework, "10 Years' Scheme," and Mid Term Business Plan "R3"

To further strengthen our management structure, enhance corporate value, and meet the expectations of our stakeholders, the FDK Group formulated the "10 Years' Scheme," which clearly defines our vision for FY2029. To achieve the goals of the scheme, the FDK Group implemented the Mid Term Business Plans "R1" (FY2020 to FY2022) and "R2" (FY2023 to FY2025).

During the R2 period, uncertainty in the external environment increased, including the prolonged geopolitical instability in Ukraine and the Middle East, the impact of US trade policies, China's export restrictions on rare earths, rising prices and labor costs, and the slowdown of the Chinese economy. Under these circumstances, the Group has strengthened its resilience against the worsening external environment while steadily improving its earnings structure and building a foundation for future growth.

In the first year of R2, we made BAOTOU FDK CO., LTD. a consolidated subsidiary. In the following year, SILITECH TECHNOLOGY CORPORATION became our largest shareholder. And in the final year, we offset accumulated losses through a capital reduction, and entered into a brand license agreement with Energizer Holdings, Inc. All of these initiatives have helped lay the foundation for future growth. More specifically, they have enabled us to procure parts and materials in a more stable manner, foster next-generation technologies, reduce costs by leveraging our global procurement and manufacturing capabilities, acquire new sales channels, and strengthen our financial position, all of which will contribute to our future growth.

Given these circumstances, we formulated the Mid Term Business Plan "R3", which aims to refine our business portfolio so that we may realize the vision set forth in the 10 Years' Scheme. R3 is built on the following key pillars: Diversified Expansion of Existing Businesses, Further Diversification of the Business Portfolio, and Fostering a Corporate Culture Where Employees Can Learn from Mistakes and Experience Growth.

For more information on R3, please refer to the presentation materials.

A large, stylized tree with a brown trunk and green foliage is centered in the background. The tree's canopy is roughly circular and fills most of the slide's width. The text is overlaid on the tree.

FDK Group Strategy Framework 10 years' Scheme - Mid Term Business Plan "R3"

莫如樹木
十年之計

April 2026

* 十年之計莫如樹木: 10 years' scheme is nothing but to grow a tree
(Excerpt from Guan-zi)

0. Our Philosophy/Vision

Our Philosophy

Inspiring transformation; shaping the future and creating happiness.



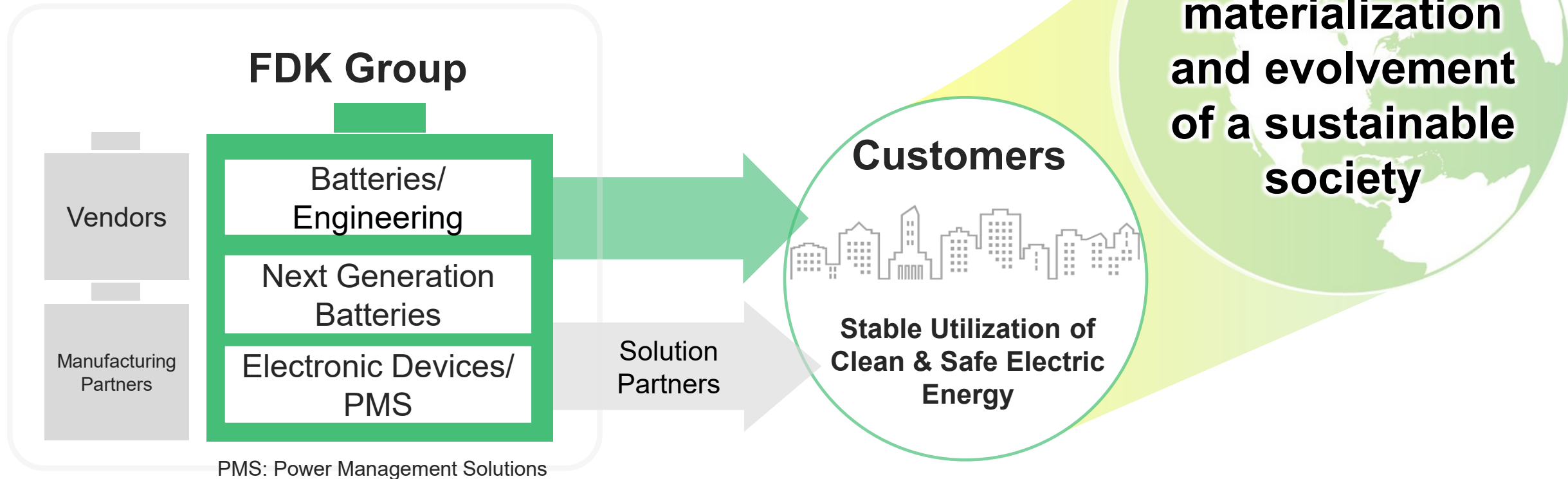
Vision

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 the materialization and development of sustainable society.

1. FDK Group's Status-to-be: Value Chain

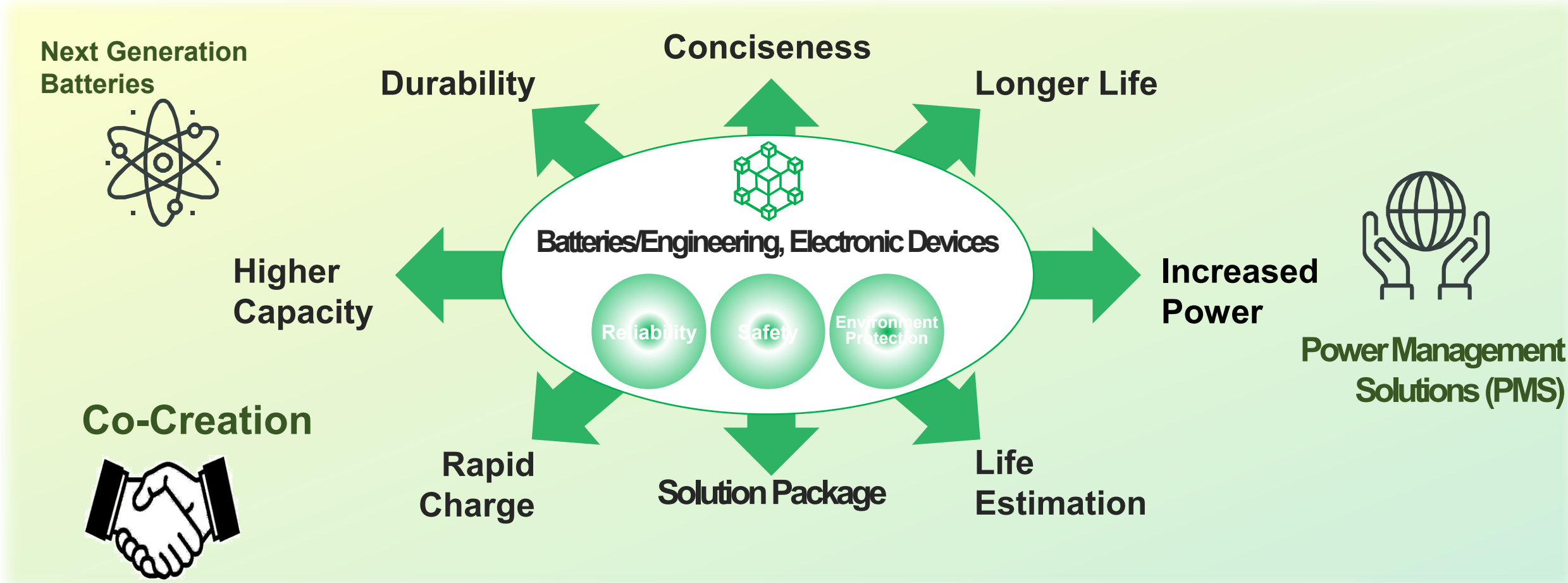
- To proactively take advantage of a developing ecosystem, increase value of our offerings with various partners, and enable customers to utilize electric energy in diversified ways.

FDK Group ecosystem



1. FDK Group's Status-to-be: Offerings

- To add various functions & features onto unique value of our current offerings (reliability, safety, environment protection) and respond to users' expectations to use electric energy in a wider range of applications.



2. Review of Mid Term Business Plans “R1” and “R2”: Three Pillars (1)



R1: Stabilization of current businesses and establishment of growth with profit

Outcomes

Building a foundation for future growth in three businesses, laying the groundwork for expanding industrial applications, and integrating production bases

Areas of improvement

Responding to market changes, soaring raw materials prices, and market fluctuations resulting from the COVID-19 pandemic

R2: Accelerating the growth of core businesses and increasing their profitability

Outcomes

Focusing on growing or high value-added markets

- Nickel-metal hydride: Increasing sales for automotive applications and shifting to high value-added models for industrial applications
- Lithium batteries: Developing the CR17500EX, a high-capacity battery
- Engineering: Installing and ensuring stable operation of xEV facilities
- Electronics: Mass-producing Bluetooth® Low Energy modules

Optimizing business scale through structural reform

- Nickel-metal hydride: Reducing costs by promoting in-house production
- Lithium batteries: Advancing facility consolidation, including the relocation of production processes, and laying the foundation for business expansion

Areas of improvement

- Responding to changes in the external environment, such as China’s export restrictions on rare earths and US reciprocal tariffs
- Meeting strong demand for lithium batteries

Note: Bluetooth® is a trademark of Bluetooth SIG, Inc.

2. Review of Mid Term Business Plans R1 and R2: Three Pillars (2)



R1: Proactive cultivation of new business as a segue to the next generation

Outcomes

Starting sample shipments of nickel-zinc batteries and promoting the development of core technologies for power solutions

Areas of improvement

Solid-state batteries are still in the sample shipment phase

R2: Launching and developing new businesses

Outcomes

- Nickel-zinc batteries: Meeting objectives regarding technical issues, including those related to charging and discharging cycles
Collaborating with customers to initiate demonstration tests and expand sample shipments
- Solid-state batteries: Advancing improvements in battery characteristics and quality, and establishing a mass production system
- Power solutions: The development of a battery pack solution has transitioned to field testing
- Hydrogen storage alloy (HSA): Developing high-capacity AB₂-type HSAs for hydrogen storage tanks to meet the needs of a future hydrogen-powered society

Areas of improvement

- Nickel-zinc batteries: Enhancing market performance and raising awareness
- Solid-state batteries: Significant delays in identifying target markets and in commercialization

*Hydrogen storage alloy : HAS (Hydrogen Storage Alloys)

2. Review of Mid Term Business Plans R1 and R2: Three Pillars (3)



R1: Establishment of a corporate culture that each employee makes a personal effort to satisfy customers in a self-disciplined way

Outcomes

Initiatives aimed at turning our company into a company that employees are proud of and whose workplaces they would recommend to their friends and family, the formulation of a management philosophy, and the introduction of a new personnel system

Areas of improvement

Labor shortages and reduced motivation due to structural reforms Inadequate governance and internal control

R2: Fostering a culture of mutual recognition and improvement

Outcomes

Building a system that enables each employee to demonstrate their abilities

- Building a foundation and promoting measures to realize human capital management
- Strengthening talent management and utilizing human resources
- Transforming business models and redesigning business processes through DX promotion, and obtaining DX certification

Improving the quality of management, including governance

- Strengthening the compliance system, enhancing education, and increasing awareness of the whistleblowing system

Areas of improvement

- Shortage of younger workers, utilization of older workers, and development of a global recruitment strategy
- Improving the effectiveness of risk management and building a global crisis management system

2. Review of Mid Term Business Plan R2: Numerical Figures

Out-comes

- Despite a decrease in sales, the shift to high value-added products has increased the operating profit margin
- Offset accumulated losses through a reduction in capital

Unachieved targets

- Sales figures fell short of targets in all fiscal years
- Operating profit was achieved only in the first fiscal year
- ROIC fell short of targets in all fiscal years

	FY2023-FY2025 Results	Cumulative Total for the R2 Period of Mid Term Business Plan (Target)
Consolidated sales (JPY 100 million)	1,854	2,000
Operating profit ratio	2.0%	2.5%
ROIC	2.5%	5.0%
Investments into new businesses, etc. (JPY 100 million)	2.1	

	FY2019 Year 0 Results	FY2023 Actual	FY2024 Actual	FY2025 Actual	Target for FY2025 in Mid Term Business Plan R2
Consolidated sales (JPY 100 million)	621.2	626.7	631.7	595.6	680
Operating profit ratio	1.4%	0.9%	2.2%	2.8%	4.1%
ROIC	2.1%	0.1%	3.3%	4.2%	8.5%
Investments into new businesses, etc. (JPY 100 million)	0.6	0.3	1.0	0.8	

2. Review of Mid Term Business Plan R2: Topics



FY2023

- Acquired Santoku Corporation's equity interest in Baotou Santoku Battery Materials Co., Ltd., renamed the company **BAOTOU FDK CO., LTD.**, and made it a consolidated subsidiary.
(Related topics) Announcement on July 17, 2025: Development of high-capacity AB2-type hydrogen storage alloy for hydrogen storage tanks

FY2024

- SILITECH TECHNOLOGY CORPORATION** made a tender offer to acquire 45.00% of the total issued shares of our company (at the time of acquisition) and became the largest shareholder.

FY2025

- Reduced capital stock, capital reserves, and retained earnings reserves, and appropriated retained earnings.

		FY2019 (Year 0) Results	FY2023 Results	FY2024 Results	FY2025 Results
Capital (hundreds of millions of JPY)		317.1	317.1	317.1	30.0
Retained earnings carried forward (hundreds of millions of JPY)	(Consolidated)	△481.7	△449.9	△444.5	81.7
	(Single)	△529.7	△523.3	△519.3	10.1

- Entered into a brand license agreement with **Energizer Holdings, Inc.**



FDK Group
New Mid Term Business Plan ('26-28)
“R3”



1. 10 years' Scheme: Vision/Status-to-be and Mid Term Business Plan "R3" **FDK**

1. Vision

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 the materialization and development of a sustainable society.

2. Status-to-be (Status that Vision is materialized)

For Whom: Entities that support people's daily life and society, and individual users

What: To provide offerings that enable customers to best utilize clean and safe electric energy
(Batteries/Engineering, Next Generation Batteries, Power Management Solutions)

When: FY2029 (10 years from FY2019)

Goals: Sales 80 billion Yen (New Business 30%) / Operating Profit ratio 7.5%

3. FY19: Structural reorganization/business restructuring implemented as the starting point of the 10 years' Scheme (Year 0)

4. R1 (FY20-22): [1] Strengthening the foundations of three existing businesses [2] Promoting new business development [3] Fostering new culture

5. R2 (FY23-25): [1] Accelerating the growth of core businesses and increasing their profitability [2] Exploring and launching new businesses [3] Fostering a culture of mutual recognition and improvement



We have promoted structural reforms and strengthened our financial position over the R1–R2 period. However, we have been frequently affected by the external environment. We need to implement more stable business operations under the new shareholder structure. To achieve this, we will implement R3 while focusing on measures to achieve sustainable growth. The three pillars for sustainable growth are as follows:
[1] Diversified expansion of existing businesses [2] Further diversification of business portfolio [3] Fostering a culture where people can learn from mistakes and experience growth

1. Mid Term Business Plan R3: Three pillars for sustainable growth

Diversified expansion of existing businesses

- Pursuing and exploring growing markets: Expanding customer portfolios and product applications
- Increasing added value: Optimizing the manufacturing system and expanding services and support

Further diversification of business portfolio

- Accelerating the development of new technology products: Next-generation batteries, power solutions, and next-next generation batteries
- Exploring new businesses: Utilizing existing technologies and seeking new business models

Fostering a culture where people can learn from mistakes and experience growth

- Fostering a culture where people can take on bold challenges, turn failures into investments, and create future value
- Creating a system to generate added value by leveraging employee diversity

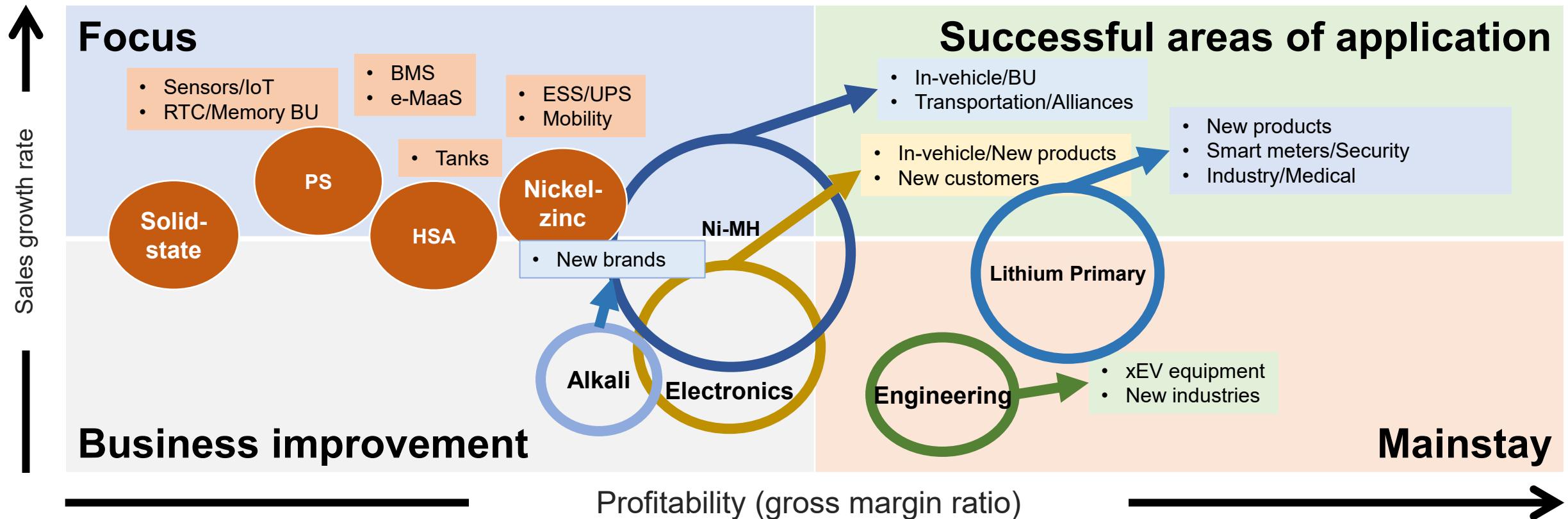
2. Business Portfolio Based on Market Strategy Mapping (Pillars 1 and 2)

Diversified expansion of existing businesses

- Nickel-metal hydride: Developing new products based on the five new pillars; Lithium batteries: Strengthening this field by focusing on new products; Alkaline batteries: Launching new brands; Electronics/ Engineering: Exploring new customers; Markets: Focusing on overseas markets, particularly Asia

Further diversification of business portfolio

- Next-generation batteries: Launch; Power solutions (PS): Seeking business models; Hydrogen storage alloy (HSA): Meeting demands of a hydrogen-powered society, and strengthening the new business launch process



3. Fostering a culture where people can learn from mistakes and experience growth (Pillar 3)

Customers and Partners

Have more customers and partners understand our company's added value

Employees

Encourage employees to support each other's growth and foster diversity as a source of strength

and
(Respond to all)

Shareholders

Strive to enhance corporate value and achieve return on investment

Society

CSV(Creating Shared Value):
Pursue social contributions through business

4a. Initiatives for DX: DX Strategy



Offer new value that meets the expectations of customers, shareholders, employees, and society. Enhance corporate value, and transform environmental management, organizations, and corporate culture and climate.



Manufacturing DX

We utilize digital technologies to optimize manufacturing processes to address environmental considerations and meet diverse production requirements. Our aim is to transform our plants into smart factories and contribute to the realization of a sustainable society.



Sales DX

We redesign and propose processes, from manufacturing to sales of our products, based on an understanding of customer processes. Our aim is to build strong relationships and create mutual benefits.



Company-wide DX

We review and redesign the operations of each division in our company from the perspective of utilizing digital technology. Our aim is to significantly improve operational efficiency.



Development of human resources

By ensuring that all employees have a certain level of knowledge and a mindset for digital utilization, we aim to improve operational efficiency and adapt quickly to changes. This will contribute to the sustainable growth of both individuals and the organization.

4a. Initiatives for DX: Promotion of Company-Wide DX Projects

All employees drive the evolution of **manufacturing, sales, and indirect operations** through DX.



Co-creation with customers

Use the installed sales support system (SFA) and marketing data to understand trends among our business partners and their industries. Quickly develop and provide products or services that meet required specifications.



Manufacturing

Strengthen manufacturing using virtual simulations to shorten lead times for mass production. Improve quality through enhanced data analysis in each production process, aiming to become a competitive plant.



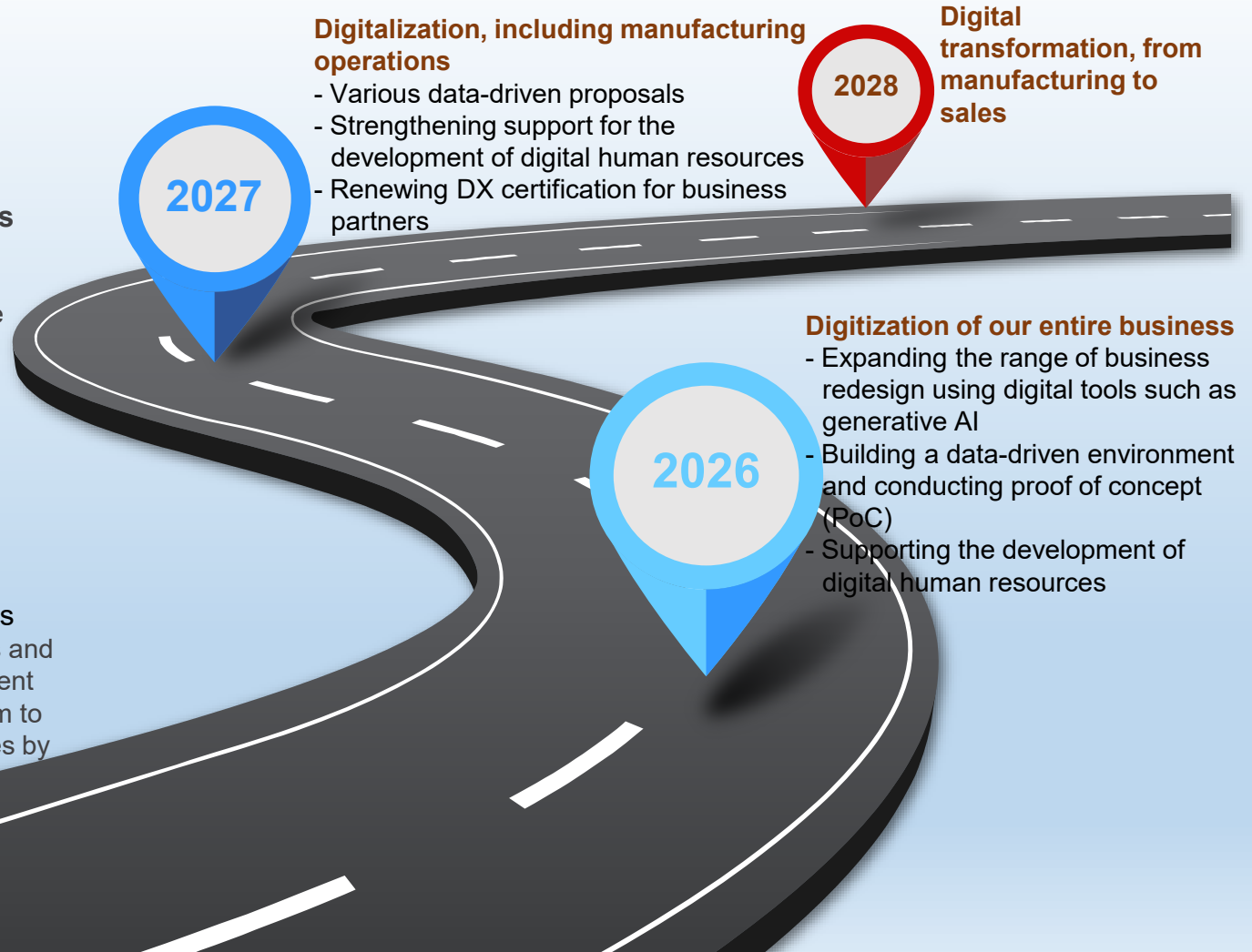
Redesign of internal operations

Redesign existing in-house operations based on generative AI and other digital technologies. Make them more efficient to reduce the time and effort required.











Development of human resources

Leveraging DX awareness activities and the DX human resources development system established last year, we aim to develop 150 digital human resources by 2028.



4b. Efforts Aimed at Resolving Social Issues

We will implement each priority theme based on our group’s materiality, thereby contributing to the SDGs and helping realize our management philosophy.

	Materiality	Key Themes	ESG Category	Related SDGs
1	Provision of safe and secure electric energy	Provide products and solutions that serve to support a sustainable society	E/S	  
2	Coexistence with the global environment	Responding to climate change and promoting a recycling-oriented society Contribution to the materialization and evolvement of a sustainable society	E	  
3	Promoting the active participation of diverse human resources	Creating an environment in which all employees can realize their full potential Creating a healthy workplace where employees can continue growing their careers	S	    
4	Sustainable enhancement of corporate governance	Based on the perspectives of stakeholders, strengthen systems and supervisory functions to realize swift decision-making with transparency and objectivity ensured when it comes to corporate management Strengthening the foundation of our risk compliance system and strengthening internal control Compliance with laws and social norms along with thoroughly undertaking conduct based on high ethical standards	S/G	
5	Contributing to sustainability in regions, society and communities	Connecting with local communities and bringing to fruition a world full of smiles	S	 

4b. Efforts Aimed at Resolving Social Issues

Materiality [1] Provision of safe and secure electric energy



Our company's batteries and electronic products provide safe and secure energy in various sectors of society.

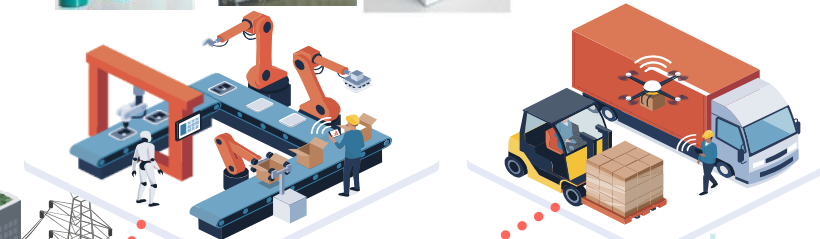
✓ Smart Retail Store

- IoT equipment for backup of POS, data communication with the cloud and management center, etc.



✓ Smart Factory & Mobility

- Electric bicycle parts, vehicle emergency communication, railway crossing backup systems, motorcycle starters, EV control, production lines, industrial equipment, AGVs, etc.



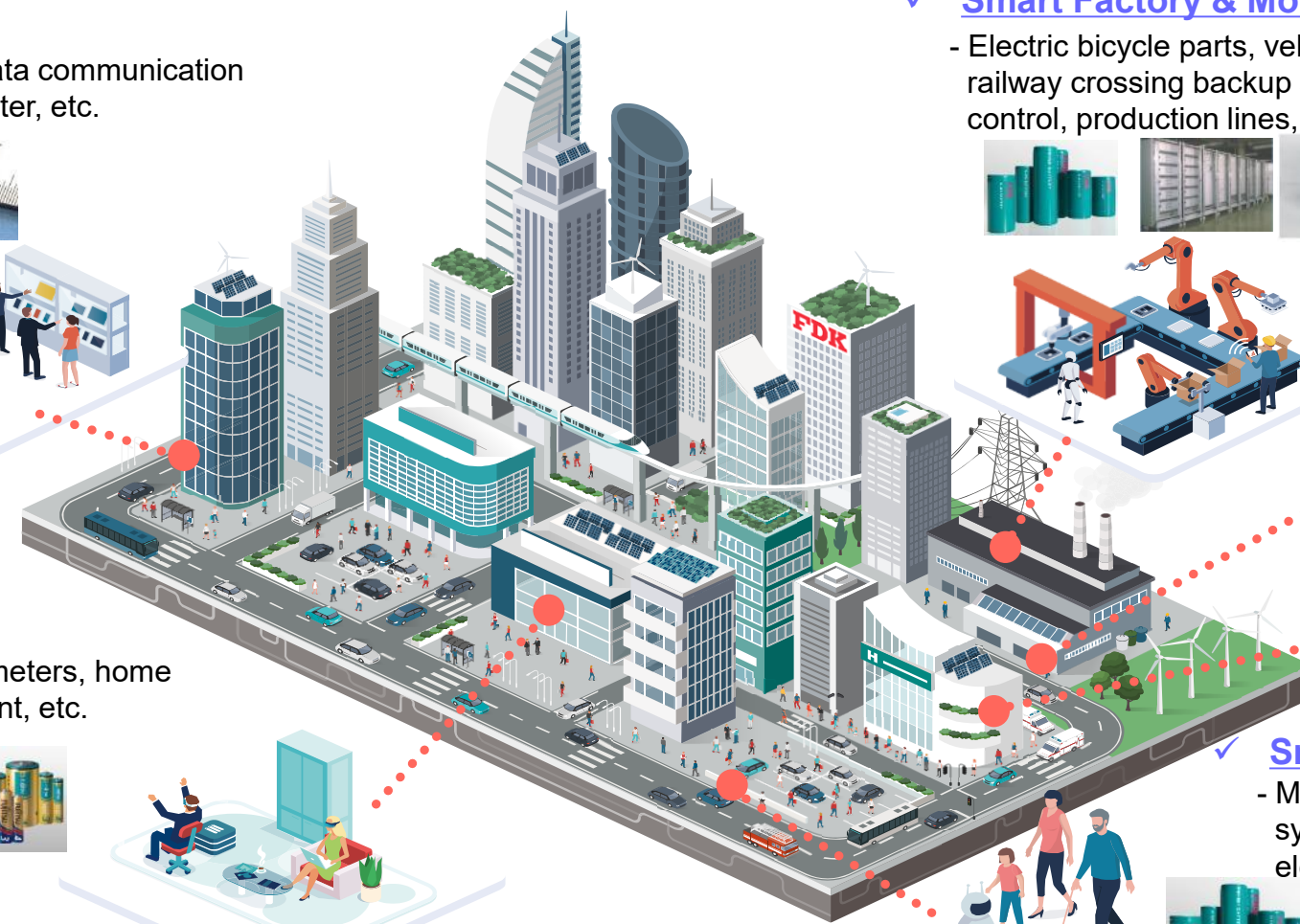
✓ Smart Home & Office

- Home appliances, wearable devices, meters, home alarms, IoT equipment, office equipment, etc.



✓ Smart Infrastructure

- Medical equipment, emergency lighting systems, data center UPS systems, elevator backup systems, etc.



4b. Efforts Aimed at Resolving Social Issues

Materiality [2] Coexistence with the global environment



To coexist with the global environment, the FDK Group promotes energy conservation and the use of renewable energy, aiming to achieve a 100% renewable energy usage rate by 2030 and carbon neutrality by 2050.

Initiatives to achieve a 100% renewable energy usage rate by 2030 and carbon neutrality across Scopes 1, 2, and 3 by 2050

Energy conservation activities through business activities
Scope 1



- Ongoing daily energy conservation activities (lights-out initiatives, appropriate air conditioning settings, etc.)

- Introduction of energy-saving equipment (in cooperation with business divisions)
 - Lighting equipment at some locations has been partially replaced with LED lighting.
 - Replacing existing facilities with high-efficiency ones (air conditioners and substations)

- Utilization of ESCO business
 - Introduction completed at Kosai Plant (2025)

- Installation of photovoltaic power generation panels
 - Installation completed at Takasaki Plant (2010)
 - Installation completed at Tottori Plant and Xiamen FDK (2024)

- Efforts to reduce fossil fuel use
 - Some forklifts have been replaced with EV models

- Purchase of non-fossil certificates (for electricity)
 - FY2025 performance: 37% (Note) Planned to increase the use of non-fossil energy by 12% each year.

- Consideration of improvements in compressor intake and exhaust efficiency
- Consideration of energy savings for seat shutters and improvements in localized air conditioning
- Consideration of improvements in building air conditioning through temperature and humidity sensing
- On-going promotion of the replacement of existing lighting systems with LED lighting at sites

- Introduction of ESCO projects at the Washizu, Takasaki, and Tottori plants, as well as at FDK Engineering, is under consideration

- Installation at Kosai Plant, Washizu Plant, FDK Engineering, and Fuchi Electronics is under consideration

- Introduction of EV company vehicles is under consideration
- Continued promotion of replacement of forklifts with EV models

- Continued purchase of non-fossil certificates (for electricity)
- Introduction of clean gas is under consideration

Introduction of renewable energy, etc.
Scope 2



4b. Efforts Aimed at Resolving Social Issues

Materiality [3] Promoting the active participation of diverse human resources



We will support the creation of an environment in which diverse human resources can thrive, as well as their growth toward their desired career paths.

Basic and elective training courses

- Level-based training
- Next-generation leadership development training
- Developing capabilities to create value
- Cross-cultural understanding
- Developing global human resources
- Overseas language study program

Reskilling and self-development

- Fostering a culture of mutual learning
 - Free tuition
 - Certification support
- Enhancing online English conversation programs
 - Introducing dojo-style training programs

Building a safe and secure work environment

- Promoting employee health management
- Fostering a culture of safety
- Integrating safety and environmental management processes

Diversity, equity, and inclusion (DEI)

- Ensuring fairness in evaluation and promotion
 - Appointing leaders with diverse perspectives
- Promoting diverse working styles
 - Providing diversity education
 - Improving employee well-being



4b. Efforts Aimed at Resolving Social Issues

Materiality [4] Sustainable enhancement of corporate governance



We will strengthen systems to ensure transparency and objectivity of management, strengthen risk management, and enhance accountability.



4b. Efforts Aimed at Resolving Social Issues

Materiality [5] Contributing to sustainability in regions, society, and communities



While maintaining close ties with local communities, we will continue to carry out various social contribution activities to help create a world full of smiles.

✓ Providing information to facilitate access to disaster prevention information sources

- Disseminating disaster prevention information on “Sonael Radio” broadcast by FM SALUS every Monday
- Release of disaster prevention awareness videos on social media
- Co-sponsoring of disaster prevention awareness activities in conjunction with the Japan Weather Association’s Disaster Prevention Awareness Program



✓ Providing opportunities that connect with the future

- We co-sponsored the "Sound Concert of Batteries Connecting with the Sun," where Claviola, a rare musical instrument powered by our nickel-metal hydride batteries, was performed.

SAVE THE EARTH
"Why don't we think about the Earth through batteries?"



✓ Promoting activities that make everyone smile

- Promoting participation in local traffic safety activities and the purchase of goods from work training centers for people with disabilities
- Cleanup activities around plants and facilities, and maintenance of local flower beds
- Collection and donation of used stamps and PET bottle caps to schools
- Provision of disaster prevention stockpiles to food banks
- Blood donation activities and Red Feather and Green Feather fundraising activities
- Provision of environmental classes at schools



4b. Efforts Aimed at Resolving Social Issues

We will implement each priority theme based on our group's materiality to contribute to the SDGs and realize our management philosophy.



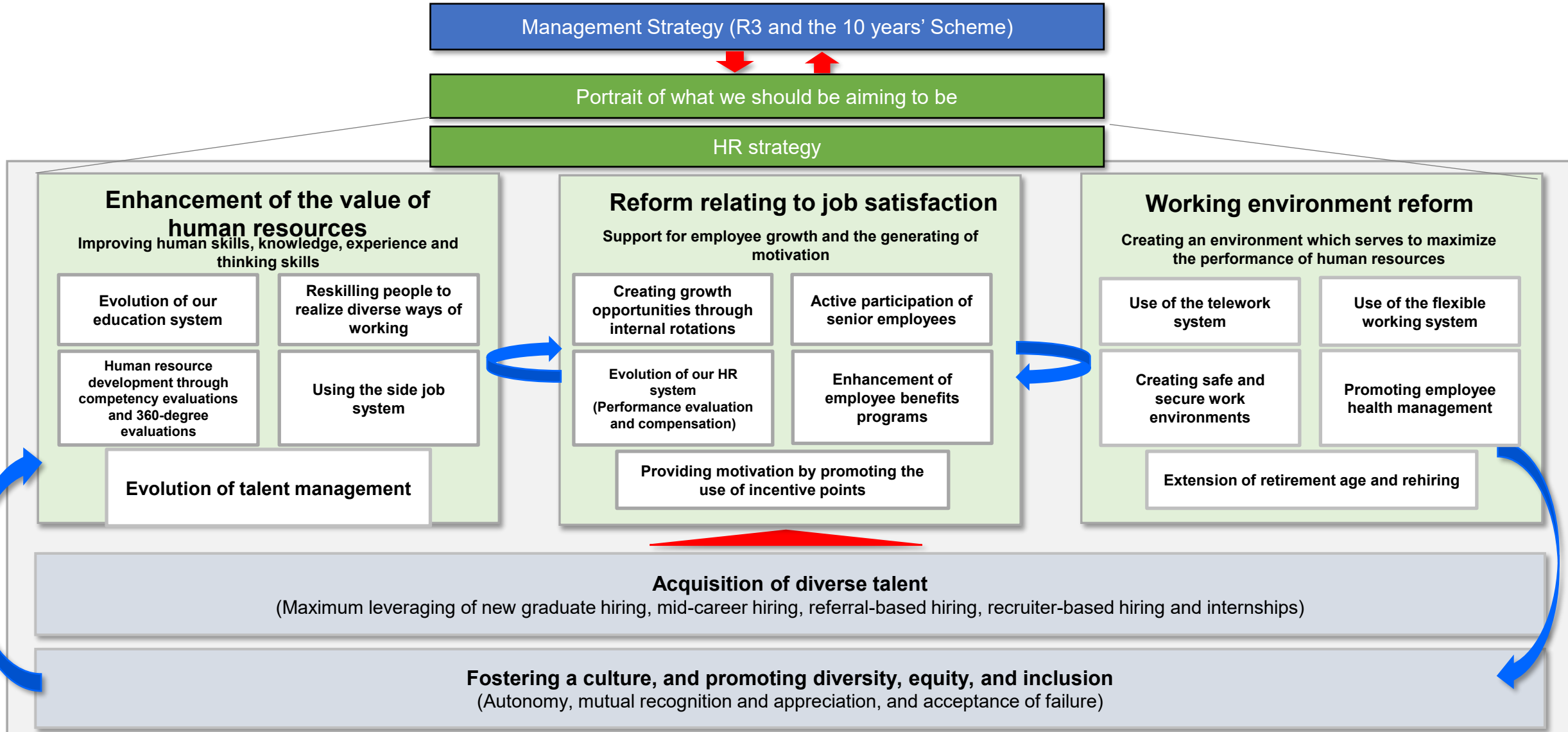
「進化に挑戦 輝く未来と笑顔のために」

“Inspiring transformation; shaping the future and creating happiness.”

4c. Our Group's View of Human Capital Management



- Strengthen the links between management strategies and human resources strategies, leading to the achievement of management targets





**FDK Group
Mid Term Business Plan "R3"
in numbers**

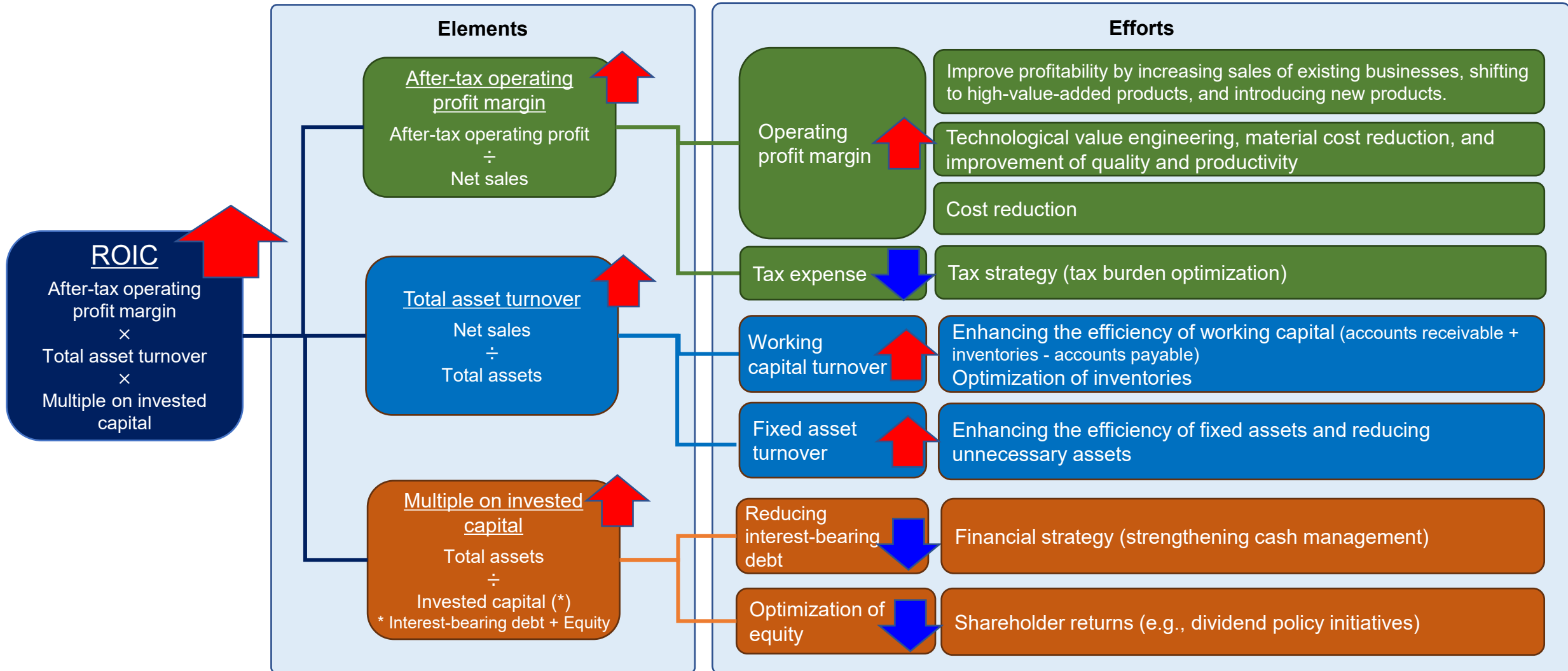
It all comes down to numbers

Management Target (1): Stable Business Operations in a New Business Environment

Cumulative total for R1 period (results)	Cumulative total for R2 period (results)	Cumulative total for R3 period (target)
Consolidated sales : 185.7 billion yen	185.4 billion yen	Consolidated sales : 200 billion yen
Operating profit : 4.6 billion yen	3.6 billion yen	Operating profit : 7 billion yen
ROIC : 4.3%	2.5%	ROIC : 5.5% (7.0% in the final year)
Operating CF : 6.9 billion yen	6.5 billion yen	Operating CF : 15 billion yen

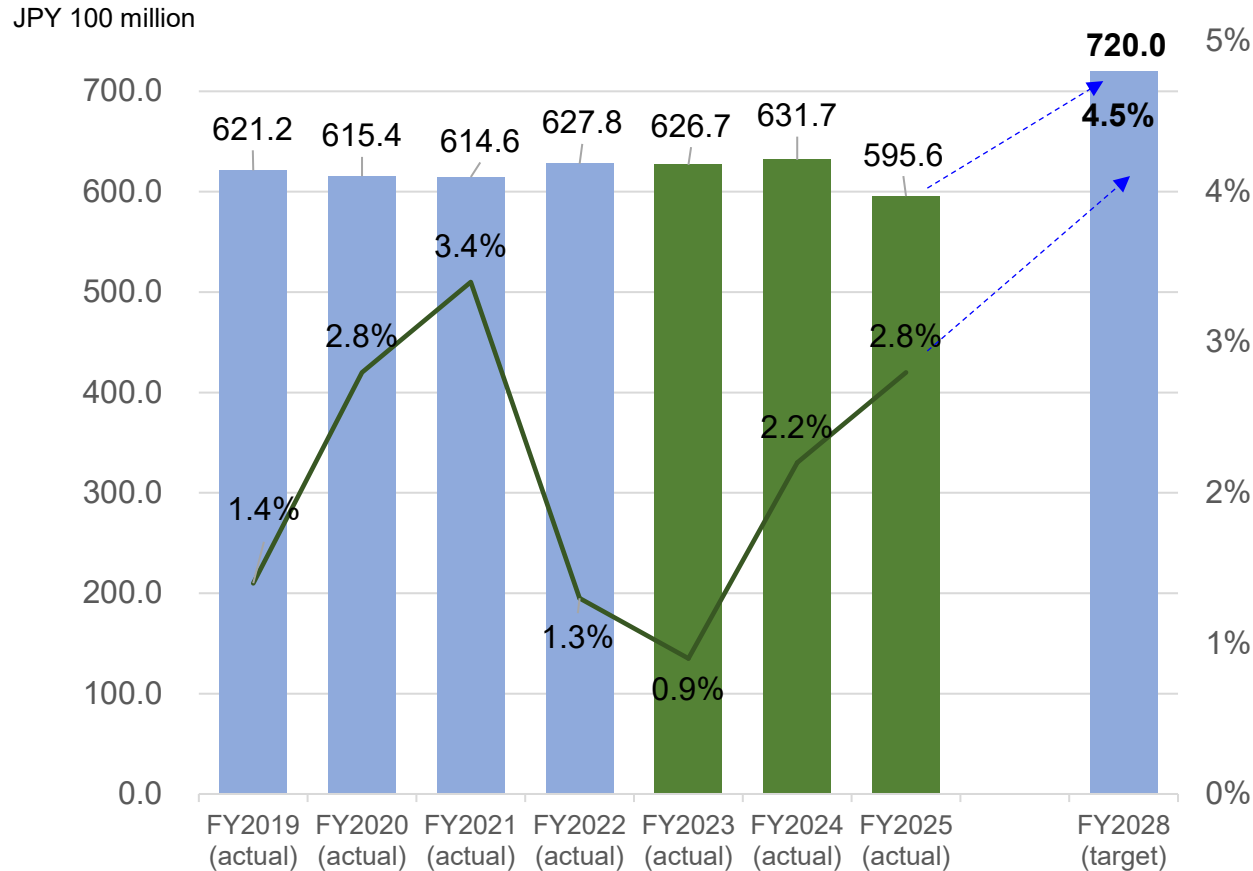
Management Target (2): Initiatives to Improve ROIC

Enhance corporate value by improving profitability and capital efficiency through improvements in ROIC (return on invested capital).



Management Target (3): Strengthen Our Management Foundation

Net sales and operating profit ratio



Capital allocation policy for target cumulative total during the R3 period

Prioritize enhancing corporate value through sustainable growth, and allocate funds to investments for future growth and strengthening of existing businesses. Also consider returning profits to shareholders in accordance with progress in strengthening our business profitability and financial base.

Operating CF
15 billion yen

Cash-in

Strengthening of our financial base

Growth investment
(Development of new batteries and products, business portfolio strategy, etc.)

Strengthening of existing businesses
(DX, facilities, production increase and rationalization, facility renewal, safety, quality, environment, etc.)

Return to shareholders

Cash-out

FDK

Technology creating a better future