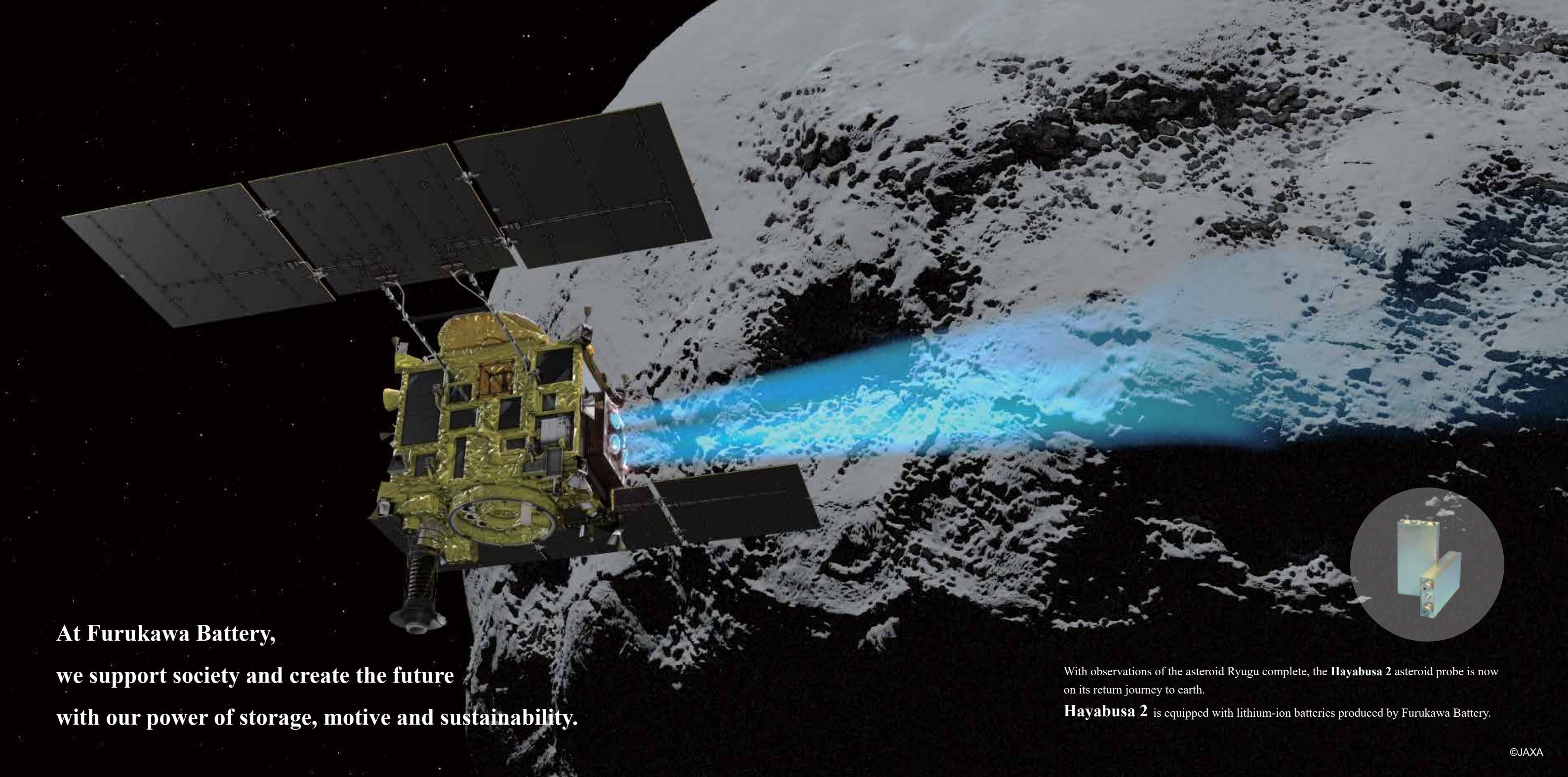


FURUKAWA BATTERY

# Report 2020



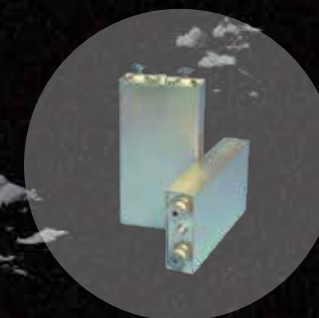


A large image of the Hayabusa 2 asteroid probe in space, with its solar panels extended and a bright blue plume of gas or dust trailing behind it. The probe is positioned in the foreground, and the background shows the dark, rocky surface of an asteroid.

**At Furukawa Battery,  
we support society and create the future  
with our power of storage, motive and sustainability.**

With observations of the asteroid Ryugu complete, the **Hayabusa 2** asteroid probe is now on its return journey to earth.

**Hayabusa 2** is equipped with lithium-ion batteries produced by Furukawa Battery.



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### Editorial Policy

We aim to provide an integrated report describing our management strategies, business activities, operating results and other financial information combined with non-financial information including the environment surrounding the company and our engagement with society. We also aim to provide our stakeholders with a more in-depth understanding of Furukawa Battery. In compiling this report, we have consulted the International Integrated Reporting Framework advocated by the International Integrated Reporting Council.

### Reporting Period

Fiscal 2020 (April 1, 2019 to March 31, 2020)  
\* Includes some information from before and after this period.

### Scope of This Report

The Furukawa Battery Co., Ltd. and its consolidated subsidiaries  
\* Environmental data relates to Furukawa Battery's Iwaki and Imaichi Plants.



# Corporate Philosophy

## Basic Philosophy

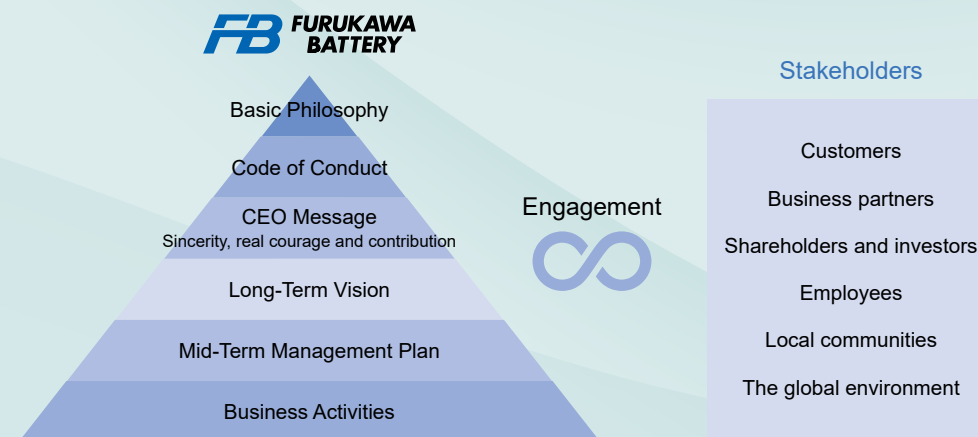
To meet the expectations of our various stakeholders, including shareholders, employees, customers and local communities, at Furukawa Battery we are committed to continuous innovation supported by a core technological strength cultivated over many years. As we embrace our slogan of “always being the challenger” and corporate motto of fairness and strength, we contribute to the realization of a truly affluent and sustainable society as we strive for sustainable growth and enhanced corporate value over the medium and long terms.

## Code of Conduct

### We are the challenger.

- Maintain high ethical standards, and value honesty and integrity above all.
- Continually improve, innovate, and lead, in every area of endeavor.
- Take a hands-on approach that addresses the reality of every situation - in the office, at the factory, and on site.
- Be proactive - take the initiative and work with others, persevering until a solution is found.
- Maintain open channels of communication between departments and divisions so that we can share ideas and help each other grow.

We support society and create the future with our power of storage, motive and sustainability.



## Greeting

# Furukawa Battery is Venturing into a New Era

In 1914, Furukawa Battery began operations as the battery factory of Furukawa Electric Co., Ltd. and in 1950 the battery division was spun off to form The Furukawa Battery Co., Ltd. In 2020, we reached our milestone 70th anniversary. It is our valued stakeholders who have made this possible through their continued support over the years, and I would like to express my gratitude to all of you.

Since its founding, Furukawa Battery has contributed to the development of society through the provision of high-quality storage batteries, power supply products and related services for vehicles, buildings and public facilities across a wide range of fields from rail and aviation to space. We also pursued overseas expansion at an early stage, having begun technical cooperation with overseas companies since the 1950s, and today Furukawa Battery is continuing to grow overseas, with a focus on Southeast Asia.

The environment and society that surrounds the company has undergone significant changes, particularly over the past decade. We are not in an age where a company can survive by valuing tradition and history alone.

We must respond to change with agility to ensure our continued presence over the next decade, and indeed the next century to come. Furukawa Battery will continue to make full use of its abilities to support society and achieve sustained development together with its valued stakeholders.

August 2020

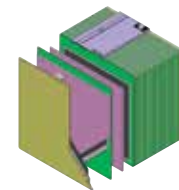
Shinichi Ono  
President & CEO

小野真一

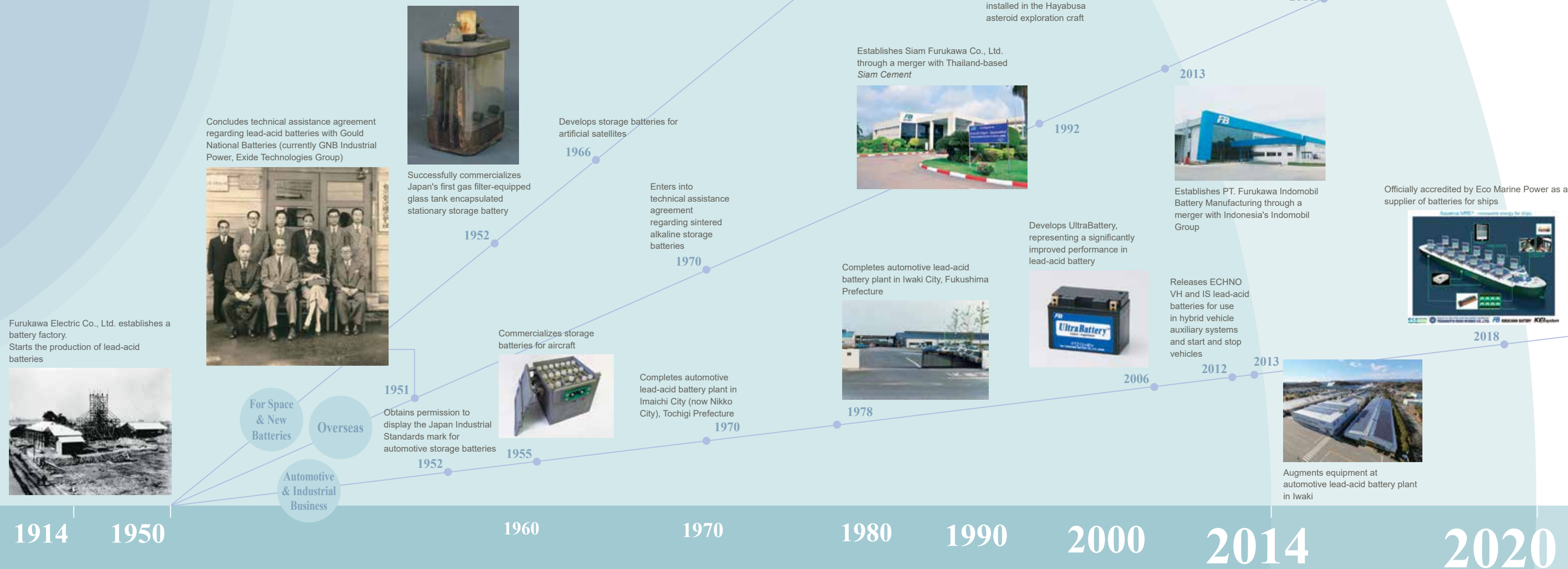
# Furukawa Battery's Value Creation Journey

Taking into account the period when its predecessor, the battery division of Furukawa Electric Co., Ltd., operated the business, Furukawa Battery has been operating for over a century. During this time, we have sought to create a truly affluent and sustainable society through the manufacture and sale of storage batteries and power supply products.

To advance our tireless efforts to develop in partnership with society, we will place an even greater emphasis on businesses that contribute to the environment and society as we progress and evolve in profitable ways.



Creating new value utilizing technological capabilities accumulated over many years



## Establishment of The Furukawa Battery Co., Ltd.

Spun off from Furukawa Electric Co., Ltd.  
Founded as The Furukawa Battery Co., Ltd.

100 years since the start of lead-acid battery production

The Furukawa Battery Co., Ltd. observes its 70th anniversary

# Financial and Non-Financial Highlights

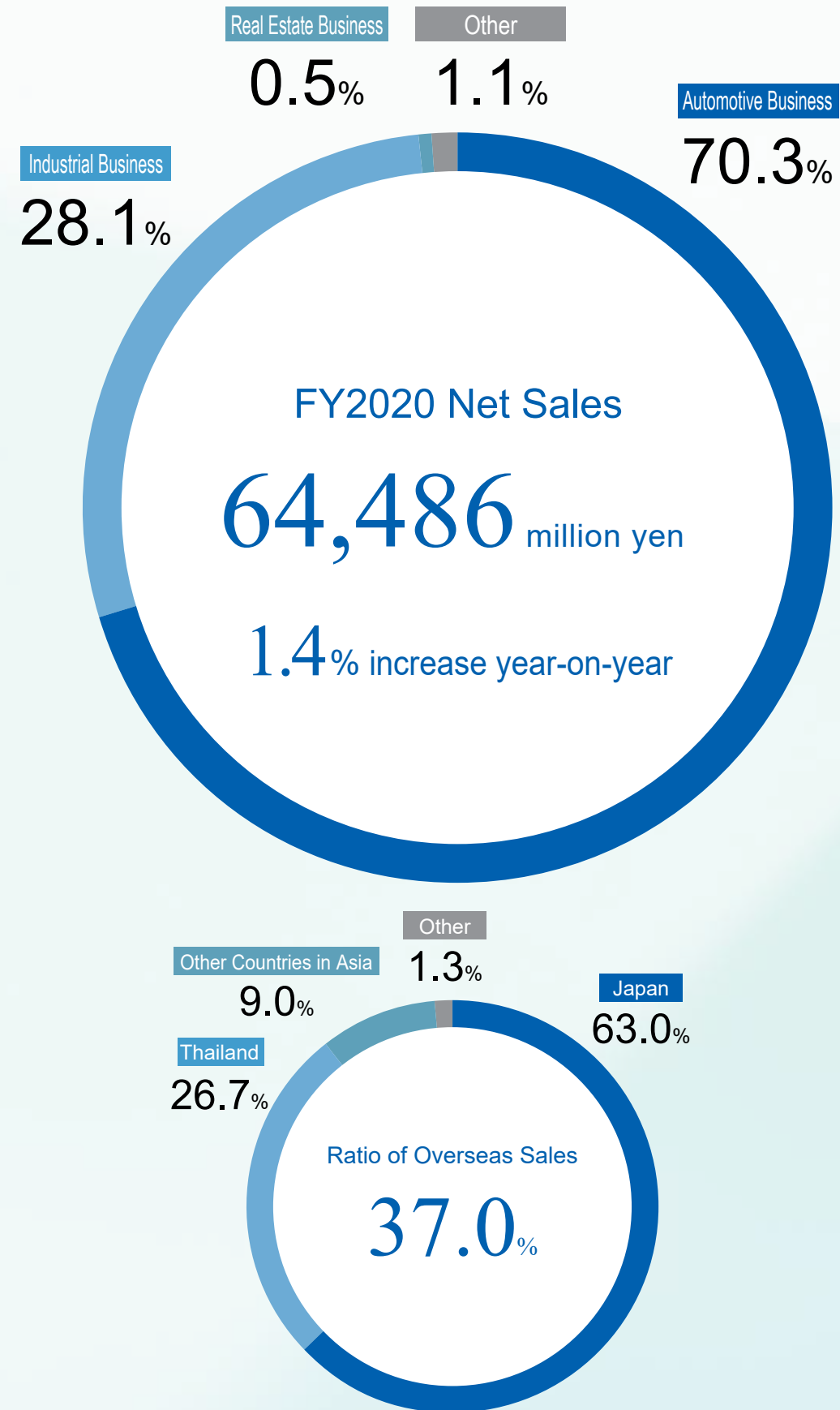


\*1: Data range: Iwaki and Imaichi Plants of Furukawa Battery on a non-consolidated basis

\*2: As this is a comparison of years, we use 0.500 (Tokyo Electric Power figure for FY2015) for the CO<sub>2</sub> emission factor in electric power.

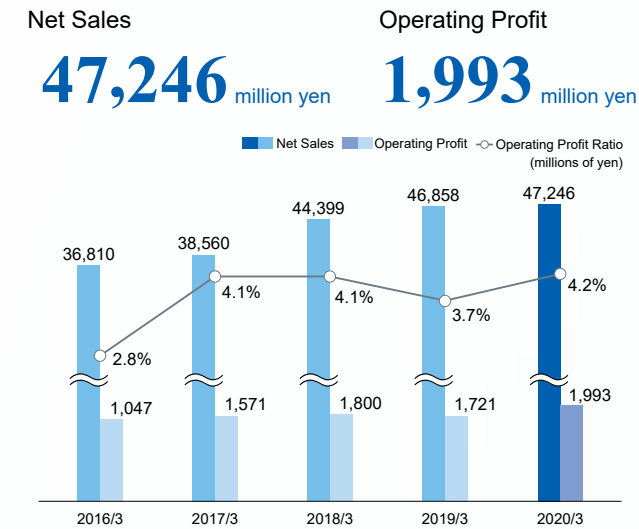


# At a Glance



\* Net sales are based on customer location and categorized by country or region.

## Automotive Business

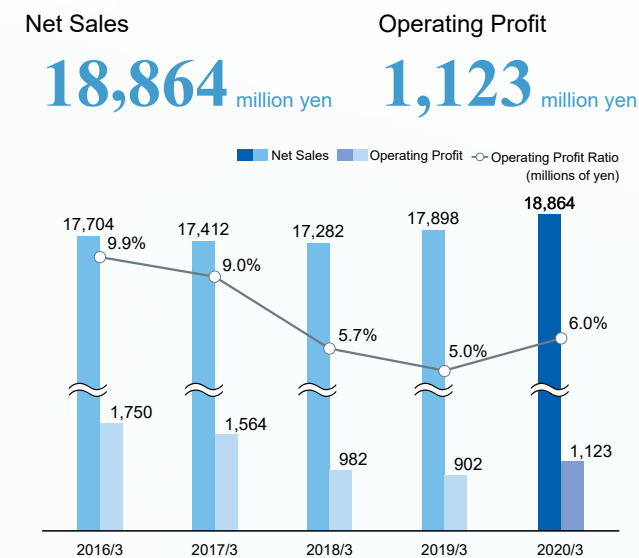


### Business Overview

- Manufacturing and sale of automotive lead-acid batteries (including for eco-friendly cars) and lead-acid batteries for motorcycles supplied to Japanese automakers, and lead-acid batteries for meeting replacement and repair demand
- Manufacturing and sale of lead-acid batteries for cars and motorcycles through subsidiaries in Thailand (SFC) and Indonesia (FIBM)



## Industrial Business



### Business Overview

- Manufacturing and sale of industrial storage batteries (lead-acid batteries, alkaline storage batteries, lithium-ion batteries for space development), power supply units (DC and AC power supply units)
- Main Customers
  - Local governments
  - Railway companies
  - Electric power companies
  - Telecommunications carriers
  - Electric machine manufacturers
  - Communication equipment manufacturers



## Real Estate Business

**Net Sales**  
**337 million yen**

### Business Overview

- Real estate leasing and building management through consolidated subsidiary HD Holdings Co., Ltd.

## Other

**Net Sales**  
**770 million yen**

### Business Overview

- Manufacturing of resin molded products through consolidated subsidiary Daiichi Giken Kogyo Co., Ltd.

\* The net sales in each segment on this page include inter-segment sales and transfers.



# Now is the Time to Capitalize on Our Abilities and Move Forward Without Slowing Down

## Review of the FY2020 and Outlook for Future Results

Looking at our financial results for the fiscal year ended March 2020, we recorded net sales of 64.4 billion yen and operating profit of 3.2 billion yen, representing a year-on-year increase in both sales and profits. Strong sales of industrial storage batteries for data centers and brisk sales of automotive lead-acid batteries in Thailand helped us achieve record sales. In particular, during the period from January to March 2020 we achieved our best-ever quarter for sales (18.8 billion yen) and second-best quarter for operating profit (1.56 billion yen). In FY2020 we were affected by external environmental changes such as the slowdown of economic growth in the overseas countries where we operate, but overall I feel that we were able to demonstrate steady growth. However, the impact from the spread of COVID-19 from around February 2020 cannot be overlooked, and we expect a decline in sales to 56 billion yen for FY2021. At our Thailand-based subsidiary SFC, which has been a key driver of company performance to date, the business for new cars has stagnated due to the shutdown of partner factories. In addition, in Japan we have also been affected by restrictions on construction site

visits in the industrial business under the state of emergency that was declared. On the profit side, we also forecast declines, namely operating profit of 2.3 billion yen, ordinary profit of 2.2 billion yen and profit attributable to owners of parent of 1.6 billion yen. In addition to the spread of COVID-19, due to intensifying frictions between the US and China and an increasingly tense climate in the Middle East, we still cannot be optimistic about the global economy, but I believe it is important for us to demonstrate growth after overcoming the challenges of this year with great perseverance. Now is the time for Furukawa Battery to implement the measures available to us so that when the economic climate does turn around, we will be positioned to take advantage. For example, we are pursuing a number of initiatives without slowing down, such as strengthening market competitiveness through efficient production and thorough cost reduction measures, continuing with efforts to develop new mission-critical systems, promoting workstyle reforms and new ways to conduct sales, accelerating the development of highly competitive products, and enhancing our external messaging capabilities.

## Engaging with Society and Helping to Solve Issues in Ways Unique to Furukawa Battery

We face numerous social issues, from the frequent natural disasters brought about by global warming to the depletion of fossil fuels. Furukawa Battery possesses storage battery and power supply technologies that it has continued to refine over more than a century, and I believe we can harness these technological capabilities as a core tool in helping to solve these issues. Take for instance the bipolar storage battery unveiled in conjunction with Furukawa Electric Co., Ltd. in June 2020. This represents a new lead-acid battery for electricity storage that caters to an era in which renewable energy will be introduced in large quantities. Solar and wind power do not produce CO<sub>2</sub> emissions during generation and offer significant benefits to the environment. However, they also have disadvantages. Because

they are natural sources of energy, generating capacity cannot be controlled, and this can lead to power surpluses and shortages when the supply and demand of power is not balanced. As our bipolar storage batteries allow storage battery capacity to be increased up to the megawatt level by combining multiple cells, they offer proper support to renewable energy generating systems subject to many variable factors.

As this example of bipolar storage batteries shows, by continuing to take on the challenge of new technologies going forward, Furukawa Battery is committed to offering society even greater added value through its business activities and helping to solve environmental and society issues in its own unique way.

## To Our Stakeholders

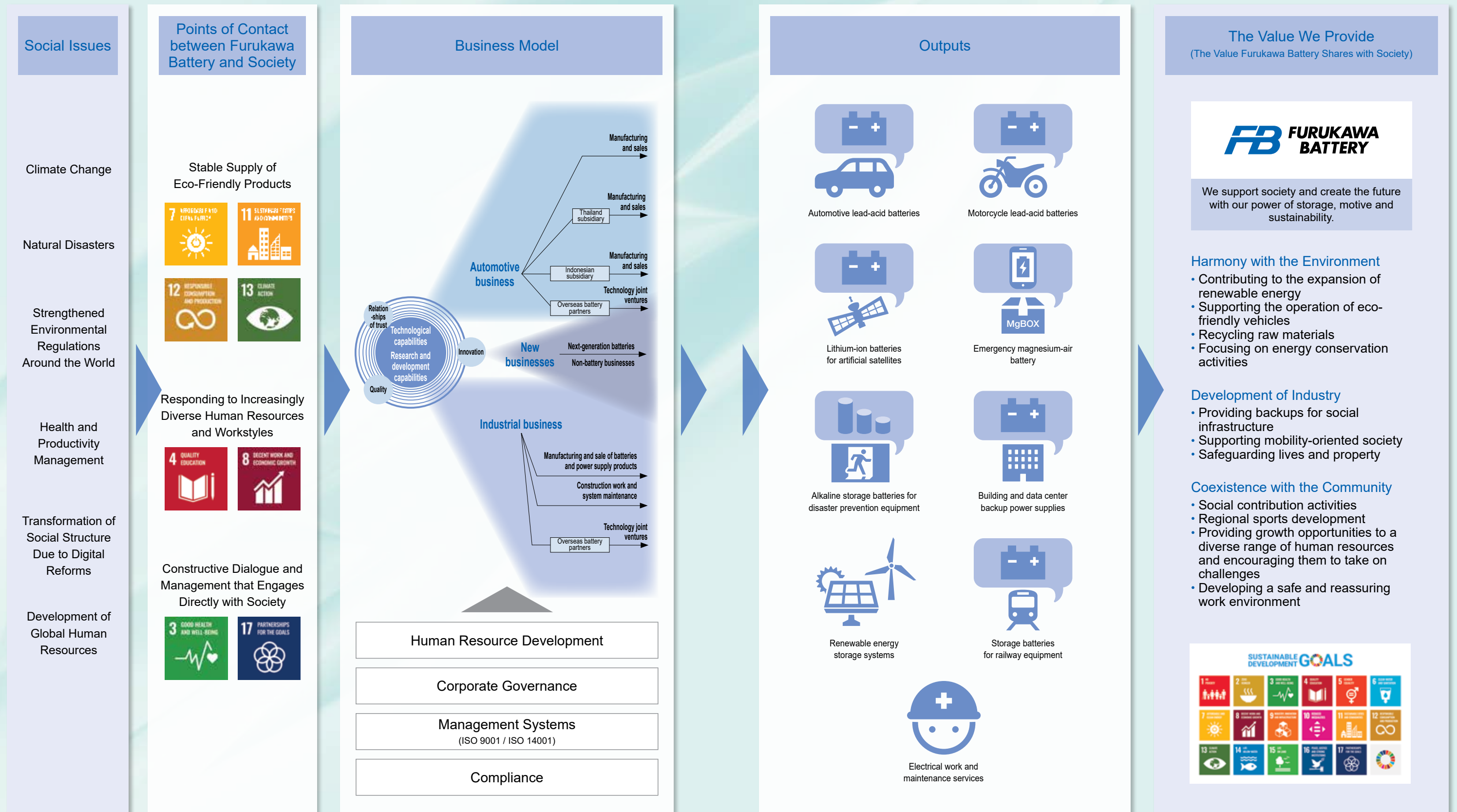
As the spread of COVID-19 has introduced variability to the conditions established in the 2021 Mid-Term Vision we announced in May 2019, we are currently undertaking a careful examination of management indicators. However, the direction of our vision remains unchanged: (1) the stable growth of overseas sites, (2) business creation through the development of new products including next-generation batteries, (3) improved revenue earned from our core lead-acid battery business, and (4) building the capacity for innovation through human resource development.

Even under this uncertain management environment, we are focused on the areas that deserve our full attention and efforts, namely finding pathways to future growth and laying the groundwork to take advantage of future opportunities as they emerge.

To all our valued stakeholders, I sincerely appreciate your continued support that takes the medium- to long-term perspective into account.

# Value Creation Process

As a company that supports society with our power of storage, motive and sustainability, Furukawa Battery will make full use of its strengths in technology and R&D while striving to create value shared with society and achieving the sustainable development goals (SDGs).







In May 2019, Furukawa Battery announced its 2021 Mid-Term Vision (covering the years 2019 to 2021) and has made progress towards the next stage of growth. However, the spread of COVID-19 in 2020 has introduced variability to the conditions set out in the plan, and we are currently undertaking a careful examination of the management indicators set out in the vision. However, the direction of our vision remains unchanged: (1) the stable growth of overseas sites, (2) business creation through the development of new products including next-generation batteries, (3) improved revenue earned from our core lead-acid battery business, and (4) building the capacity for innovation through human resource development. Without slowing down, Furukawa Battery will continue to promote measures to become a company with strong fundamentals to ensure that any crisis can be overcome.



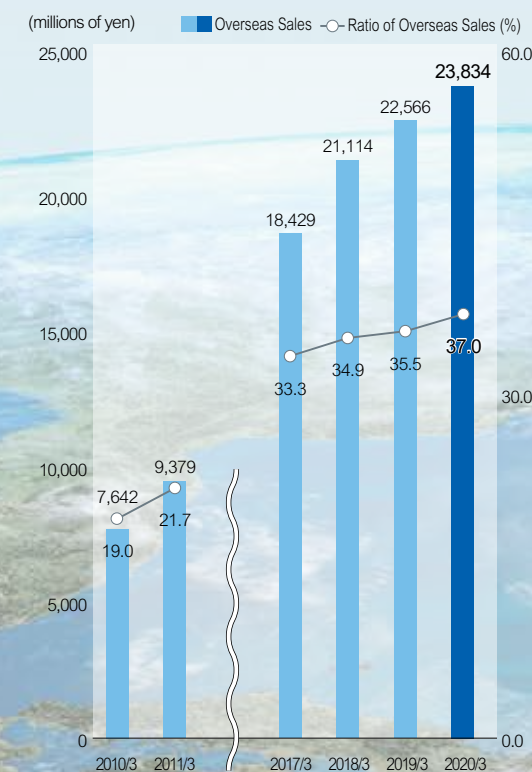
## Overseas Growth

For Furukawa Battery to develop in the medium to long term, growth in overseas markets including new markets will hold an important key. To achieve this, we are focusing on maintaining and enhancing the competitiveness of our existing sites as a key priority. Those efforts include minimizing the impact of COVID-19 at our Thailand-based subsidiary SFC, and pursuing initiatives aimed at building solid foundations in the Indonesian market.

On the perspective of new markets, since the previous long-term vision was formulated in 2010 we have fostered a high level of awareness towards overseas growth in each division, and we will use this momentum to pursue overseas expansion aimed at future markets and sites as we look to achieve growth in step with the development of the regions to which we expand. Additionally, to command a stronger global presence we will actively work to expand the markets covered by the Industrial Business, offer technical support and strengthen ties with capital partners.

We will make every effort to expand the business based on the strong belief that overseas growth will create the future of Furukawa Battery.

Change in Overseas Sales



## Contributing to the local production and consumption of energy in unelectrified regions without electricity

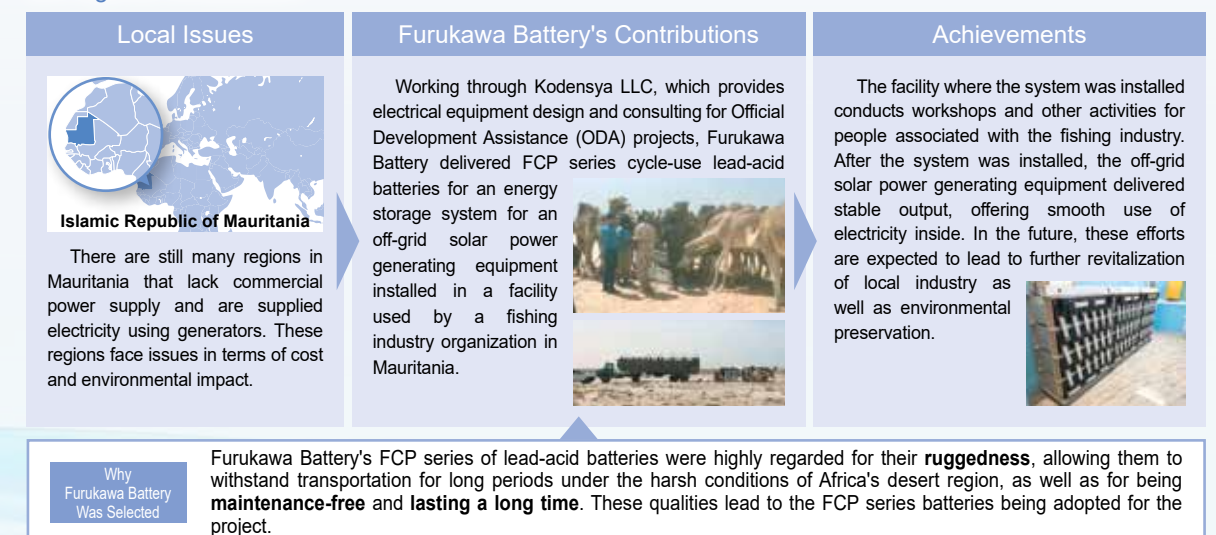
Unelectrified regions are areas not supplied electric power because power transmission networks from major power plants have not been developed. The worldwide unelectrified population without access to electricity is believed to be around 860 million people, many of whom live in Africa and South Asia\*. People living in unelectrified regions face issues on many fronts including economics, education, security, health and environmental impact due to the inability to be active at night and the use of petroleum-based private power generation. One effective measure to

address these challenges is the micro-grid approach, which involves developing a distributed power supply utilizing renewable energy and storage batteries to achieve the local production and consumption of energy. In Africa, remote islands in Asia and elsewhere, Furukawa Battery is installing lead-acid batteries for robust cycle use in solar power generating facilities and providing strong support for the local production and consumption of energy in unelectrified regions.

\* Source: Energy White Paper 2020 Chapter 2: International Energy Trends (Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry)

### Helping Mauritania build an energy storage system

—Combining off-grid solar power generation with lead-acid batteries to contribute to environmental preservation and regional revitalization—



### INTERVIEW —New employee—



Aoi Suzuki  
Overseas Sales & Marketing  
Dept., Furukawa Battery

#### Contributing to the sustainable growth of developing countries with the storage battery technologies of Furukawa Battery

Since joining Furukawa Battery, I have been involved with ODA projects for off-grid solar power generation systems in African nations, and I have gained a real appreciation for the expectations placed on Furukawa Battery's storage battery technologies and the high degree of reliability they command. At the same time, after learning about the serious issues faced by "energy poverty" where electric power is not delivered in developing countries, I developed the desire to contribute to the sustainable growth of developing countries by spreading Furukawa Battery's storage battery technologies on a global scale. Of the sustainable development goals (SDGs) adopted by the United Nations in 2015, we recognize one of the goals through which Furukawa Battery feels it can contribute through its business activities, namely goal 7: "Ensure access to affordable, reliable, sustainable and modern energy for all." Moving forward, we will continue to listen to feedback from customers and the local communities to which we deliver our products, and actively work to solve social issues and create a favorable cycle of overseas growth for Furukawa Battery.



## Research and Development

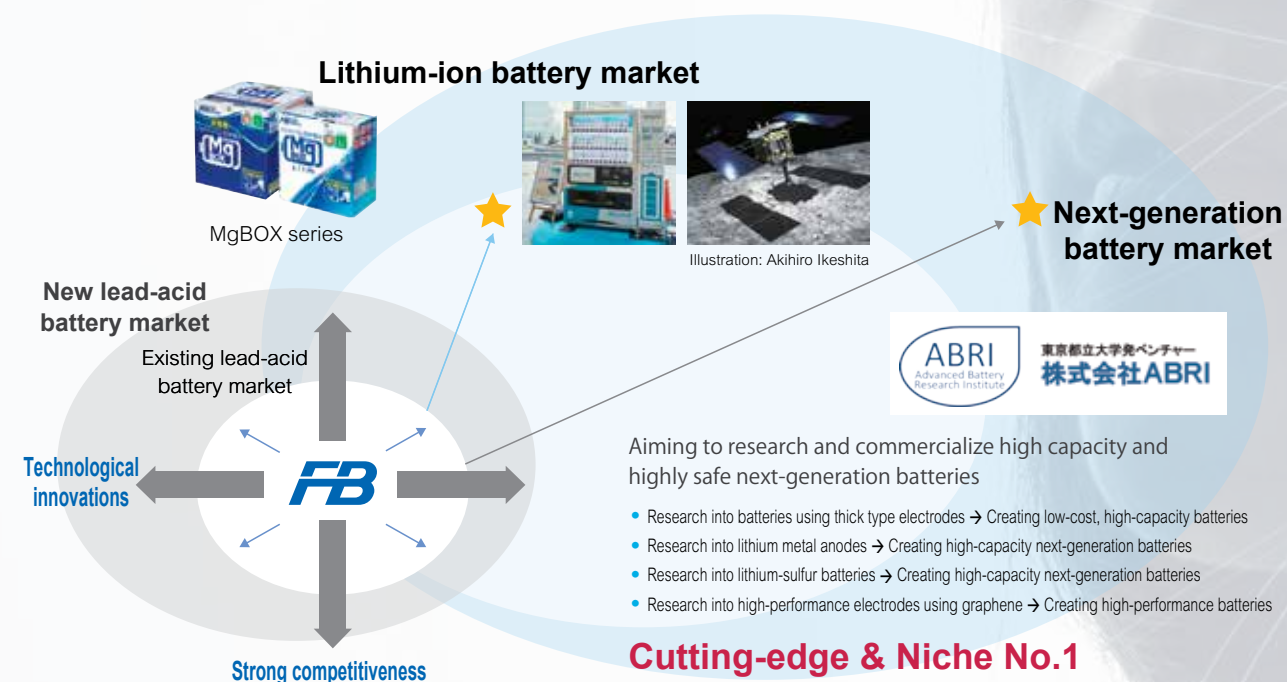
We believe that research and development is the foundation of providing society with products and services that enrich people's lives and create a safe and secure world, and we make it our goal to develop products and commercialize them with a sense of speed, employing unique technologies that are able to solve social issues and yield results. To that end, we are working to strengthen

coordination in our development efforts at Furukawa Battery and throughout the Furukawa Electric Group, and are also focused on initiatives that go beyond the scope of our existing businesses, such as joint research with universities and other industries. We are committed to maximizing the value we provide by anticipating the needs to propose new outside-the-box applications.

### Seeking breakthroughs by accumulating technologies and employing our development capabilities

Furukawa Battery has developed core technologies in secondary battery materials, production and evaluation, and we strive to achieve innovation in technologies and processes to achieve the sustained and stable growth of our flagship businesses in lead-acid batteries, alkaline storage batteries and power supply equipment. We have also designated next-generation lead-acid batteries, lithium-ion batteries and other next-generation batteries (lithium-sulfur batteries, batteries that used thick type electrodes, etc.) as key areas of focus for growth in the medium to long term.

With this in mind, we work to strengthen our in-house development capabilities while also promoting collaborative creation with other universities and companies, such as ABRI Co., Ltd., our joint venture with Tokyo Metropolitan University. By combining the technologies we have accumulated across different centuries and actively pursuing development activities beyond existing frameworks, we will endeavor to create new value that leads to the creation of a comfortable society for everyone.



### Driving the evolution of technology for over a century to pioneer the future

Based on experience cultivated over many years in the field of storage batteries, Furukawa Battery possesses various assets including the quality, safety, reliability and operational field expertise required for secondary batteries. By applying those

assets to cutting-edge technologies and the fruits of partnerships that include other industries in an effort to further develop long-established technologies, we expand products, businesses and markets, leading to sustained growth.

### INTERVIEW –Manager–



Hidetoshi Abe  
President & CEO,  
ABRI Co., Ltd.

#### Helping to create a convenient and secure society by improving the performance of lithium-ion batteries and conducting research and development into next-generation batteries

Based on its management principle of "Aiming for a better tomorrow," ABRI Co., Ltd. is boldly taking on the challenge of creating and commercializing revolutionary elemental technologies from basic and applied research into next-generation batteries.

To advance the development next-generation batteries as a business in a sustained fashion, we also work to accurately grasp the true needs of society and the times and respond to demands for battery performance (energy density, long life, operating temperatures and so on) while providing technologies that create new value in terms of safety and cost. In these ways we hope to contribute to the formation of a convenient and secure society.

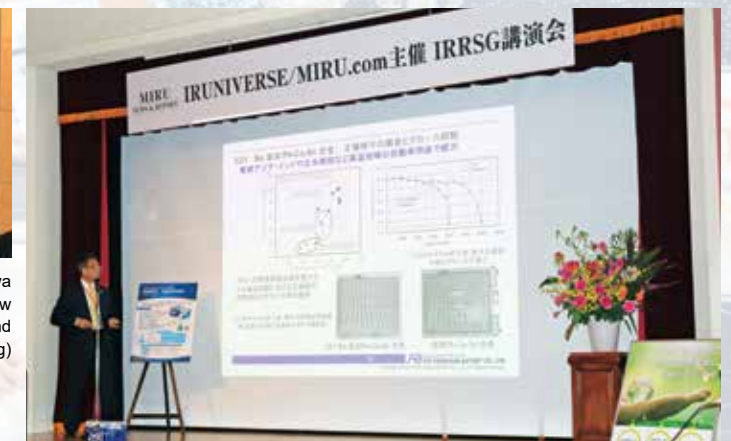
### TOPICS

#### Senior Fellow Furukawa gives lectures at "Next-Generation Battery Technologies - 2020" and "Battery Summit 2020"

At two events held in January 2020, "Next-Generation Battery Technologies - 2020" and "Battery Summit 2020," Jun Furukawa, doctor of Science and Engineering, Senior Fellow took the stage as a lecturer. In addition to describing the characteristics, market



Jun Furukawa  
Senior Fellow  
(Doctor of Science and  
Engineering)



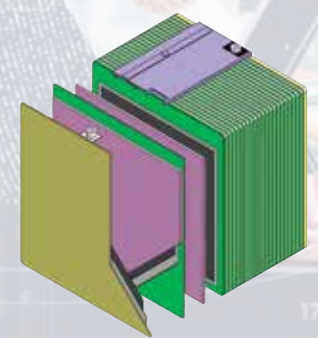
Dr. Furukawa speaking at Battery Summit 2020

potential and high recyclability of lead-acid batteries, Dr. Furukawa also touched on Furukawa Battery's extensive track record with alkaline storage batteries and the lithium-ion batteries used in the Hayabusa and Hayabusa 2 asteroid probes, and highlighting the wide range of high-performance and highly safe storage batteries. At Battery Summit 2020, a commemorative lecture was also delivered by Nobel Chemistry Laureate and Asahi Kasei Honorary Fellow Akira Yoshino.

#### The likely winner in the utilization of renewable energy: Bipolar storage batteries towards commercialization with half the total costs compared with lithium-ion batteries –For safe, air conditioner-free and high-capacity electricity storage–

Furukawa Battery is working with Furukawa Electric Co., Ltd. to combine the two companies' technological capabilities to jointly develop a bipolar storage battery, a next-generation storage battery that has long proved difficult to commercialize, and something seen as a key device in the waste-free utilization of renewable energy that is expanding on a global scale.

Aiming for practical mass production, sample shipments will begin during fiscal 2021, with product shipments slated to start from fiscal 2022. The development of this product will help solve various social issues such as the frequent natural disasters brought about by global warming and the depletion of fossil fuels.



Bipolar storage battery

\* As this product is in the prototype stage, specifications and images of the exterior are subject to change.



## Special Feature: Taking on the Challenge of Outer Space

Asteroid Explorer Hayabusa  
Illustration: Akihiro Ikeshita

Mercury Magnetospheric Orbiter  
MIO / BepiColombo Project

Illustration: Akihiro Ikeshita

In the 1970s, Furukawa Battery successfully developed nickel-cadmium batteries and nickel-hydrogen storage battery cells that can endure the harsh environment of outer space. Since the 2000s, we have focused on developing and providing lithium-ion batteries for use in space. Starting with Shinsei, Japan's first scientific satellite launched in 1971, Furukawa Battery has built an extensive track record of equipping and operating batteries for operation in space, including the magnetospheric observation satellite Akebono, the asteroid probes Hayabusa and Hayabusa 2, the infrared imaging satellite Akari and the solar observing satellite Hinode. In this way, Furukawa Battery has supported Japan's space development and utilization with storage battery technologies for many years.

In June 2010, the Hayabusa asteroid probe ended its seven-year return journey spanning some six billion kilometers to return to earth. Hayabusa was equipped with a lithium-ion battery produced by Furukawa Battery. Hayabusa achieved a number of firsts while overcoming great challenges, such as successfully landing on the Itokawa asteroid, collecting particle samples and returning them to earth. It was also the world's first probe to be equipped with a lithium-ion battery designed and fabricated for use in outer space. The lithium-ion battery from Furukawa Battery played the role of providing the sole power supply to the spacecraft during the period until it unfurled its solar battery panels immediately after launching, and when it passed into the shadow of the earth during its earth swing-by maneuver. In this way, our battery contributed to success of the mission. Meanwhile Hayabusa 2, the successor to Hayabusa that is

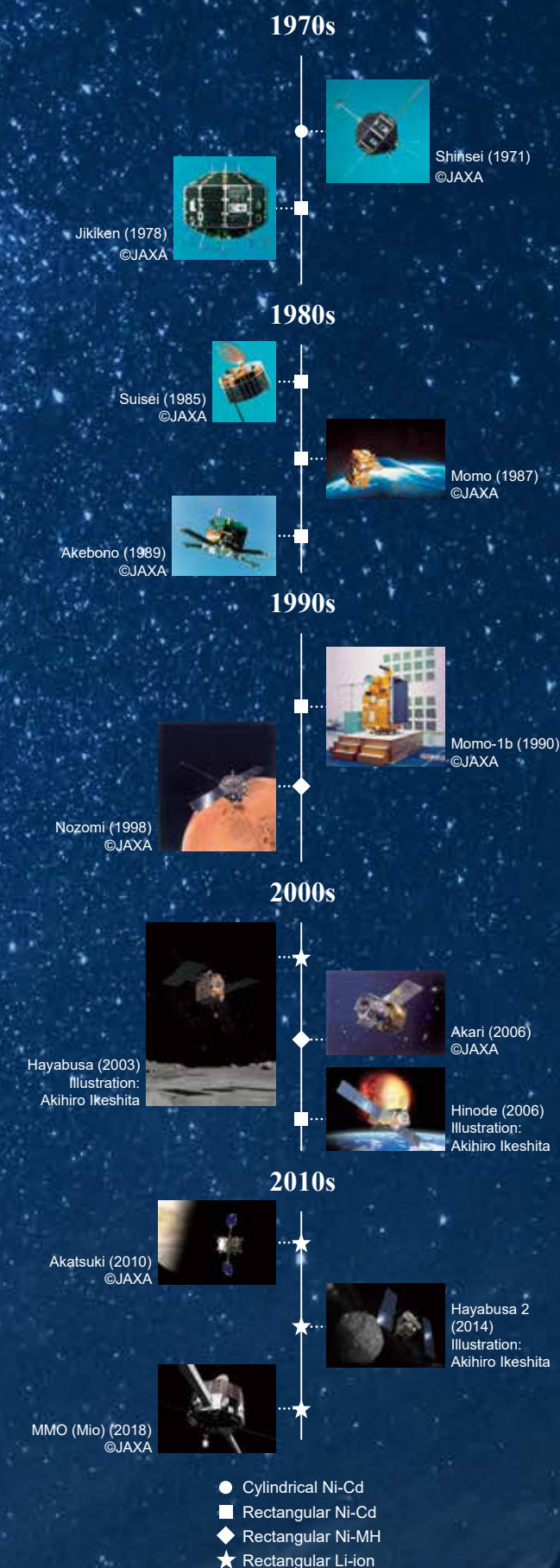
scheduled to return to earth at the end of 2020, has already achieved a number of firsts such as creating an artificial crater on the surface of the Ryugu C-type asteroid and collecting subsurface samples. Hayabusa 2 is also equipped with a high reliability, long-life lithium-ion battery supplied by Furukawa Battery. By using storage battery technologies to support a mission to explore a C-type asteroid believed to be rich in water and organic matter, collect samples and return them to earth, we will help unlock the mysteries of the solar system and earth and advance our understanding of the origin and evolution of life, while contributing to the advancement of Japanese technologies to explore the solar system.

In addition to being used in the Hayabusa series of asteroid probes, lithium-ion batteries from Furukawa Battery are also supporting the operation of other spacecraft and are used in the Venus orbiter Akatsuki and BepiColombo Mission Mercury Magnetospheric Orbiter Mio. In addition, Furukawa Battery is also continuing to work on development of batteries for next-generation satellites including the Smart Lander for Investigating Moon (SLIM), a compact demonstration vehicle designed to land on the moon. Utilizing the technological capabilities, excellent in quality and know-how honed in the extreme environment of outer space, Furukawa Battery will continue to pursue the technological advancement and expand utilization of lithium-ion batteries.

*A. Ikeshita*

## The Trajectory of Our Space Challenges

Storage batteries produced by Furukawa Battery have been equipped in many satellites.



Venus Climate Orbiter Akatsuki

Illustration: Akihiro Ikeshita





# Human Resource Development

We strive to respect diversity and become a company where motivated human resources can flourish on the global stage.

Human resource development that unleashes employees' potential and rewards them for technical prowess, innovation and taking on challenges

To continue to be a company that supports society with our power of storage, motive and sustainability, Furukawa Battery pursues concrete initiatives to maximize the abilities of each employee and to help maintain and improve their motivation to take on challenges.

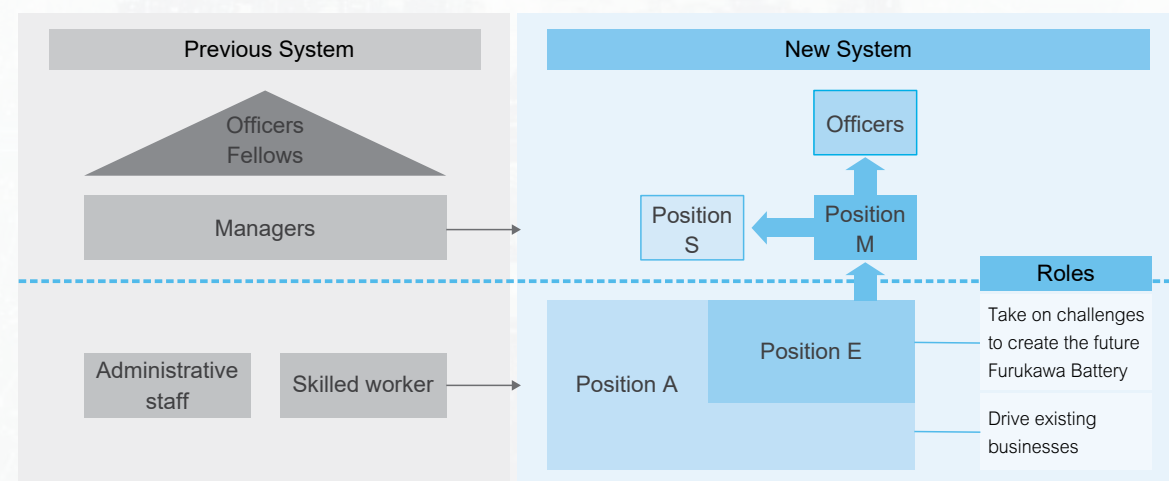
In addition to existing measures including training programs and encouraging personal development, in fiscal 2020 we designed a new personnel system that places an emphasis on unleashing employees' potential and rewarding them for technical prowess, innovation and taking on challenges, and decided to introduce the system starting April 2020.

## New personnel system

With the business environment changing dynamically, there is a strong need to create value unique to Furukawa Battery. Through the introduction of the new personnel system, we intend to appropriately evaluate a diverse range of human resources that have the skills to significantly reinforce the company's accumulated technological abilities and transformative technical strengths, and to reward those contributions in more significant ways.

Under the new system, we will divide courses according to the compatibility of occupational types and rotations, clearly state the roles, actions, abilities and results that are required (role-based grading system), evaluate personnel on this basis, and determine their compensation in a fair manner. We will also conduct rotations on a systematic basis and enhance the company's growth potential with the aim of driving human resource development with a broad perspective, invigorating the organization, enhancing internal networks and laying the groundwork for enacting change.

## Overview of the Role-Based Grading System



Role-based grading refers to the practice of Furukawa Battery defining the roles it expects employees to fulfill. The previous administrative staff and skilled worker classifications will be migrated to Position E (Executive) or Position A (Associate) based on the wishes of each employee and other factors. Employees in Position E play the role of taking

on challenges to create the future of Furukawa Battery, and carry out their duties with a company-wide perspective in coordination with a wide range of departments and regions. As drivers of existing operations, Employees in Position A carry out existing business operations and implement quality improvements and business streamlining.

## Developing a comfortable workplace

Furukawa Battery respects the lifestyles of every employee. To ensure that employees can continue to work with peace of mind while demonstrating their full potential, we have pursued a cooperative labor management relationship to enhance programs that support a balance between work and daily life, such as encouraging employees to take leave and shortening their working hours. In FY2020 we introduced a flex time system for employees engaged in child care and family care. We have also developed an environment that allows employees to refresh themselves both mentally and physically, through measures such as encouraging all employees to take leave two days at a time

and setting up recommended days for paid leave to be taken. To reduce working hours, we have established recommended no-overtime days, designated a "super" no-overtime day once a month, and encourage employees to go home early. Regarding the telework (working from home) and staggered start times currently underway, we are trying to further improve utilization rates and intend to support a variety of working styles.

Looking ahead, we will focus on specific initiatives aimed at achieving health and productivity management based on the idea that "the physical and mental health of employees is the foundation of Furukawa Battery."

## Systems that achieve a comfortable workplace, cultivate a spirit of taking on challenges, and support the physical and mental well-being of employees

- Support for child care and family care
  - Child care and family care leave
  - Short-term child care leave system for male employees (5 days)
  - Shortened working hours system for child care and family care
  - Flex time system for child care and family care
  - Family care leave
  - Morning sickness leave
- Leave in hourly increments
  - Accumulated leave
  - Self-care leave
  - Consecutive leave during the summer and year-end holidays
  - Two-day consecutive leave
  - No-overtime and "super" no-overtime days
  - Employee dormitories (Iwaki and Imaichi districts)
  - Incentive system for obtaining public qualifications
  - Subsidized costs of seminars and training
- Subsidized costs for correspondence courses
- Commendation system
- Improvement proposal evaluation system
- Part-time system for continued employment after retirement
- System to re-employ former employees who have resigned due to family circumstances
- Medical check-ups
- Stress checks
- Mental health training

## COLUMN

### Initiatives to deepen mutual trust between labor and management

Communication between labor and management is crucial to achieve smooth management and business development while improving working conditions at the same time.

Furukawa Battery provides the following opportunities for dialogue between labor and management in an effort to deepen mutual trust.

- Central management briefings: explanations about business plans and financial results (twice a year)
- Divisional labor-management meetings: briefings on monthly results held at the divisional level (once a month)
- Labor-management subcommittee meetings: discussions to achieve a comfortable working environment (once a month)
- Labor-management health and safety patrols: workplace patrols conducted by top labor and management representatives, and reviews of health and safety activities (twice a year)



A labor-management health and safety patrol underway

### Health and safety initiatives

Furukawa Battery establishes a corporate health and safety activity policy on a yearly basis and pursues company-wide initiatives to firmly establish a culture that places the highest priority on safety, and develop a safety, secure and comfortable workplace. In FY2020, we focused on building mechanisms to ensure safety, improving the safety levels of individuals through communication, enhancing the work environments at our operating sites, and maintaining the physical and mental health of employees.



## Foundations of Sustainability

Amid rising interest in ESG management globally, Furukawa Battery will tackle social issues in terms of both social value and economic value, practice management that closely tracks customers and society, and make every effort to enhance corporate value while utilizing the technologies and expertise cultivated through its core business activities. Moving forward, Furukawa Battery will further enhance prudence and sustainability as a company, and endeavor to achieve the SDGs through its business activities.

## Management Team (as of June 25, 2020)

### Members of the Board of Directors



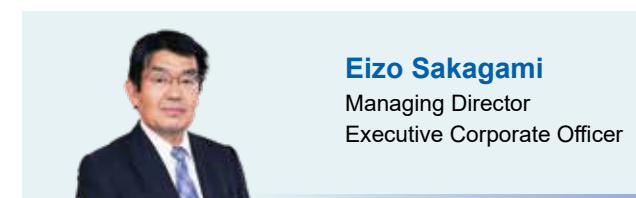
**Shinichi Ono**  
President & CEO



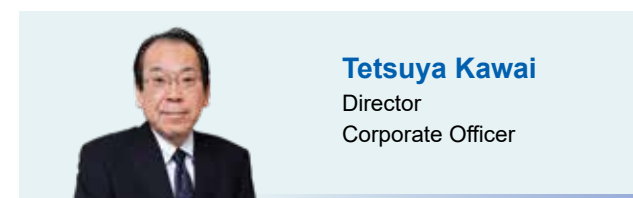
**Hideaki Ogawa**  
Senior Managing Director  
Executive Corporate Officer



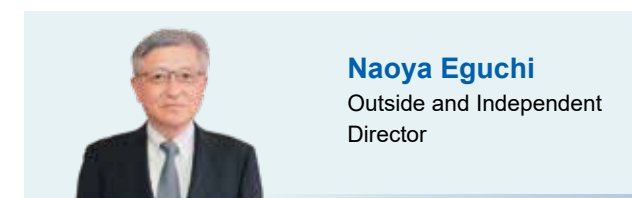
**Shigeru Fukuhara**  
Managing Director  
Executive Corporate Officer



**Eizo Sakagami**  
Managing Director  
Executive Corporate Officer



**Tetsuya Kawai**  
Director  
Corporate Officer



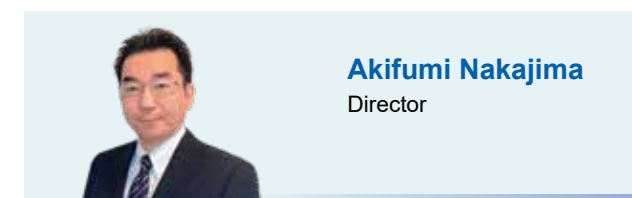
**Naoya Eguchi**  
Outside and Independent  
Director



**Somuku Iimura**  
Outside and Independent  
Director

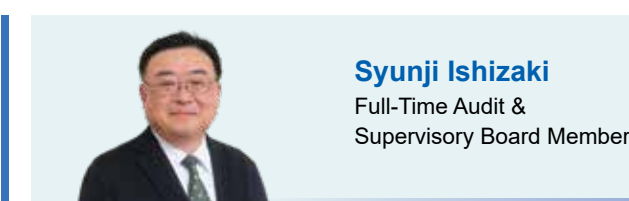


**Tatsuro Sato**  
Outside and Independent  
Director



**Akifumi Nakajima**  
Director

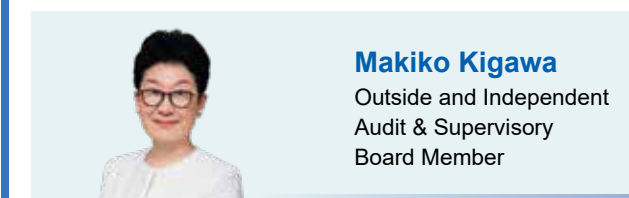
### Audit & Supervisory Board Members



**Syunji Ishizaki**  
Full-Time Audit &  
Supervisory Board Member



**Yukinobu Ogawa**  
Outside and Independent  
Audit & Supervisory  
Board Member



**Makiko Kigawa**  
Outside and Independent  
Audit & Supervisory  
Board Member

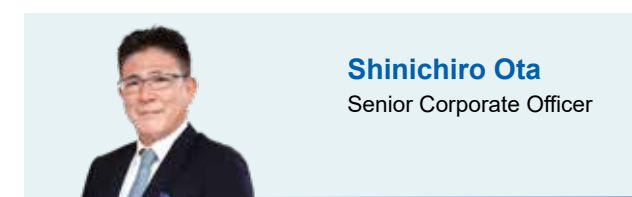
### Corporate Officers



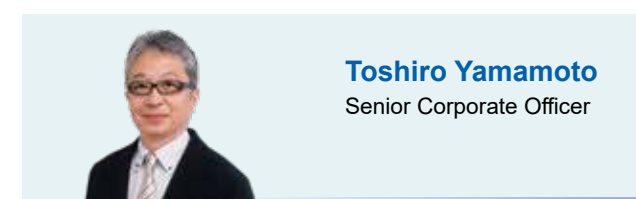
**Shigenori Moue**  
Executive Corporate Officer



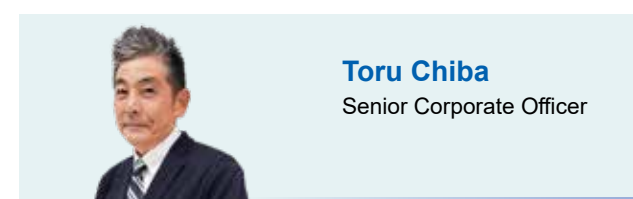
**Koichiro Yamamoto**  
Senior Corporate Officer



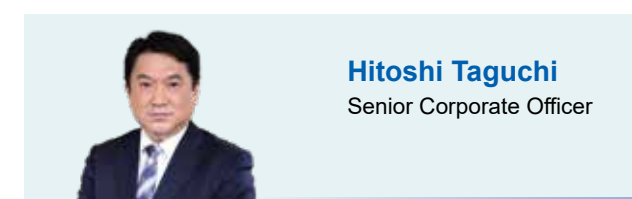
**Shinichiro Ota**  
Senior Corporate Officer



**Toshiro Yamamoto**  
Senior Corporate Officer



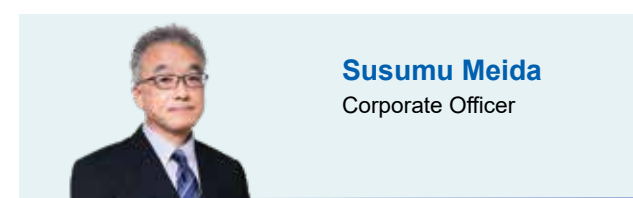
**Toru Chiba**  
Senior Corporate Officer



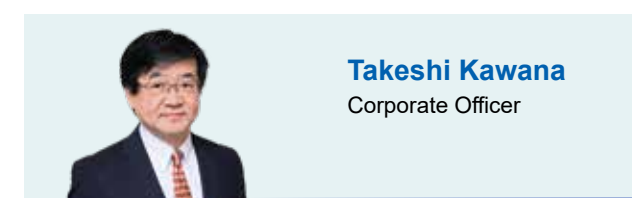
**Hitoshi Taguchi**  
Senior Corporate Officer



**Fumihiro Niitsuma**  
Corporate Officer



**Susumu Meida**  
Corporate Officer



**Takeshi Kawana**  
Corporate Officer

\* The Company notified the Tokyo Stock Exchange of its three independent Directors and two independent A&SBMs. Independent Directors include: Mr. Naoya Eguchi, Mr. Somuku Iimura and Mr. Tatsuro Sato. Independent A&SBMs include: Mr. Yukinobu Ogawa and Ms. Makiko Kigawa.



# Corporate Governance (as of June 25, 2020)

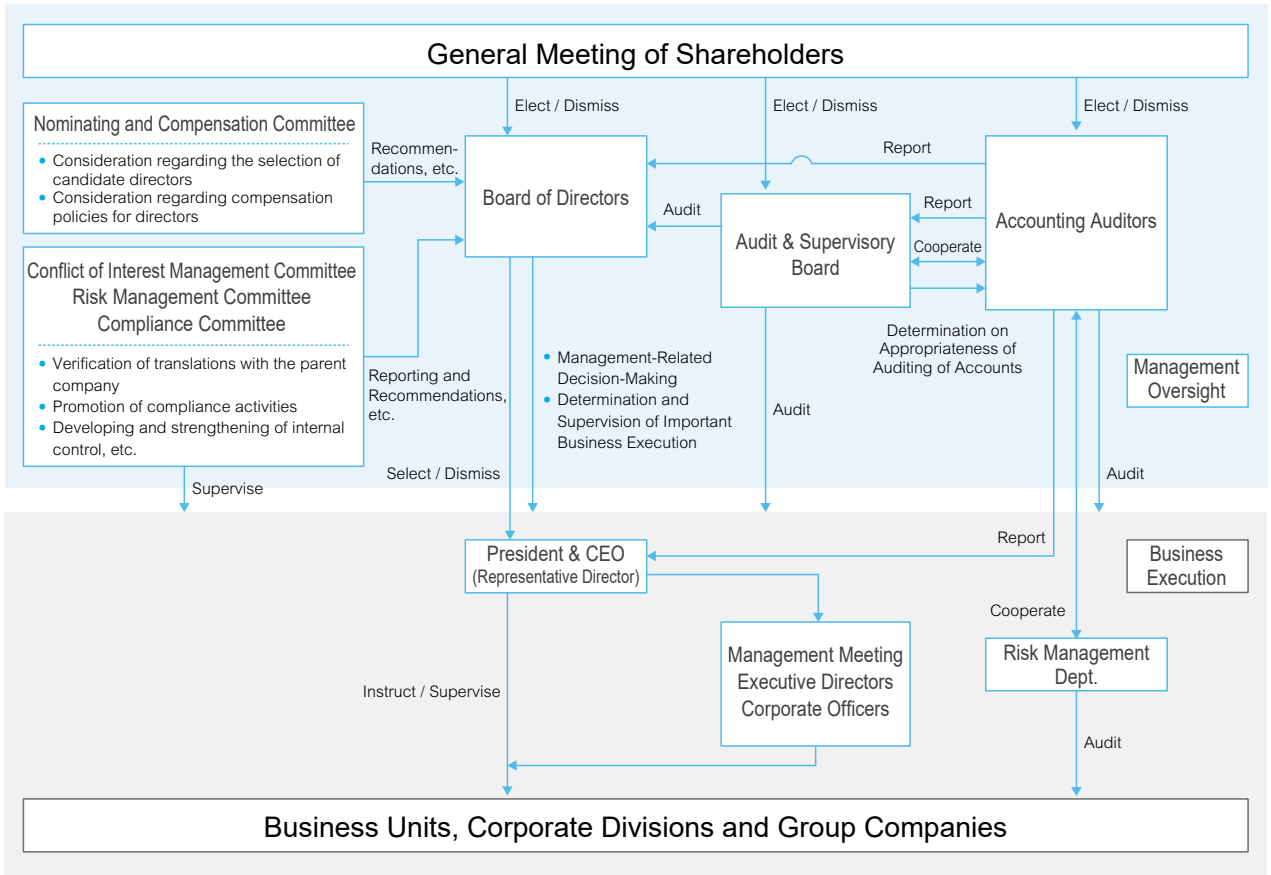
## Basic approach

Furukawa Battery improves corporate value while ensuring sustained company growth and fulfilling its social responsibilities through communication with stakeholders, including shareholders, customers, employees, business partners, local communities and government.

Additionally, by splitting management oversight functions from business execution functions, we have positioned the Board

of Directors as the body responsible for making management decisions and supervising business execution. This has allowed us to strike a balance between management oversight and business execution to achieve our management vision and midterm management plans, while creating a system of corporate governance that ensures transparency and fairness in company decision-making.

## Diagram of the Corporate Governance System



	Description	Members	Number of Meetings in FY2020
Board of Directors	The Board of Directors is convened once a month as a general rule, and convened at other times as needed. The Board of Directors makes decisions concerning important issues including management plans, basic policies, organizational restructuring, funding plans, investments and loans.	Directors: 9 (three of whom are outside members)	17 times
Management Meeting	The Management Meeting is convened twice a month as a general rule, and convened at other times as needed. The management meeting makes decisions concerning general execution policies and plans in accordance with the basic policies determined by the Board of Directors.	Executive Officers: 14 Full-Time A&SBMs: 1	24 times
Audit & Supervisory Board	The Audit & Supervisory Board is held periodically based on an annual schedule and other times as needed. In addition to receiving reports on the status of audits from each member and sharing information, the Board makes decisions on matters including auditing policies, standards and an annual audit plan.	Audit & Supervisory Board Members (A&SBMs): 3 (two of whom are outside members)	11 times
Conflict of Interest Management Committee	Convened at least twice a year. The committee verifies matters such as the reasonableness of transactions with the parent company, and if it determines that the interests of minority shareholders have been prejudiced, it takes steps such as recommending corrective action to the Board of Directors.	Directors: 3 (two of whom are outside members)	— (Established on March 24, 2020)
Nominating and Compensation Committee	The committee convenes prior to matters concerning the nomination and compensation of management executives and candidate directors are brought up for discussion at Board of Directors meetings. The committee considers the protection of the interests of minority shareholders regarding the relevant nominations and compensation matters, examines the optimum nominations and compensation policies, etc. for enhancing the corporate value of Furukawa Battery, and submits recommendations to the Board of Directors.	Directors: 3 (two of whom are outside members)	— (Established on March 24, 2020)

## Enhancing governance with the establishment of a Conflict of Interest Management Committee and Nominating and Compensation Committee

Furukawa Battery recognizes the strengthening of corporate governance as an important management issue. To date, Furukawa Battery has made continual efforts to enhance corporate governance through measures such as the introduction of an executive officer system to separate business execution, oversight and decision-making functions, the nomination of multiple outside directors, and the establishment of the Risk Management Committee and Compliance Committee.

The Board of Directors meeting held on March 24, 2020 resolved to establish the Conflict of Interest Management Committee and Nominating and Compensation Committee as non-statutory bodies. Furukawa Battery is committed to building a more effective corporate governance system and safeguarding the interests of the company and by extension its shareholders.

**Purpose of the Conflict of Interest Management Committee**  
The purpose of the Conflict of Interest Management Committee is to further safeguard the interests of minority shareholders by verifying and supervising matters such as the reasonableness of transactions between Furukawa Battery and its parent company Furukawa Electric Co., Ltd. by way of a committee made up of a majority of independent outside directors.

**Purpose of the Nominating and Compensation Committee**  
The purpose of the Nominating and Compensation Committee is to strengthening the independence, objectivity and accountability of decision-making processes and further enhance the corporate governance system by having a committee made up of a majority of independent outside directors consider the nomination and compensation of executive management and candidate directors.

## Compensation of Directors and Audit & Supervisory Board Members

Furukawa Battery has established Director Compensation Regulations that deal with director compensation. The Board of Directors determines compensation within the range of the total amount of compensation determined by resolution of the General Meeting of Shareholders, after receiving recommendations from the Nominating/Compensation Committee. The compensation of Audit & Supervisory Board members is determined by deliberation among its members within the range of the total amount of compensation determined by resolution of the General Meeting of Shareholders. Furukawa Battery has pursued further management

reform measures. For instance, June 2010, retirement bonuses and officer bonuses were abolished and officer compensation was unified to coincide with the introduction of an officer compensation system linked to business performance. In addition, since June 2016 a set amount of the monthly compensation of internal directors has been contributed to the shareholding association made up of directors. Outside directors receive a set amount of compensation in the interests of maintaining their independence.





## Compliance and risk management

At Furukawa Battery, we do not only view compliance as having all officers and employees comply with various laws, regulations and rules; to us, it also means to always act with social and moral obligations at the forefront and to deal with all people in a fair and sincere way.

Moreover, with society in a perpetual state of change, it is important for Furukawa Battery to provide new technologies and products in a timely manner in order to develop in a sustainable way. However, ventures into new technologies and businesses always come with risk. Determining and mitigating compliance violations and other risks with the right degree of sensitivity is essential to stabilize business performance and achieve sustainable growth.

Furukawa Battery have summarized related matters including risk identification and evaluation in business activities, how to respond when a risk becomes reality, measures to prevent occurrence or recurrence and the departments responsible for risk management in Risk Management Regulations and a Risk Response Manual. We also strive to foster a corporate culture that maintains an awareness of risk management under normal circumstances.

 [Risk Management](https://corp.furukawadenchi.co.jp/en/csr/governance/risk.html)  
https://corp.furukawadenchi.co.jp/en/csr/governance/risk.html

## Initiatives to ensure sound and transparent management

Furukawa Battery conducts various IR activities from the detailed statutory information disclosure to the holding of financial results briefings, the development of informational websites for shareholders and investors, and meetings with shareholders and institutional investors. In FY2020, Furukawa Battery redesigned its CSR and Environmental Activities Website as a Sustainability Website in an effort to strengthen its ESG information messaging capabilities.

Feedback received from shareholders and investors through these IR activities is communicated to management through activity reports provided to the Board of Directors, and is utilized and reflected in company management. We also hold briefings for employees at Head Office and our plants after the announcement of full-year and half-yearly financial results.



A financial results briefing (May 2019)


## Environment

Through the provision of eco-friendly products and technologies, the pursuit of initiatives to reduce environmental impact, we make every effort to ensure that our business itself creates economic value.

### Furukawa Battery's environmental policy

Furukawa Battery has established its environmental approach in the form of The Furukawa Battery Co., Ltd. Environmental Policy. The policy spells out various matters including the promotion of environmental conservation activities spanning everything from orders and contracts to sales, services, disposal and recycling, in addition to areas such as compliance with environment-related laws, regulations, agreements and other requirements, initiatives

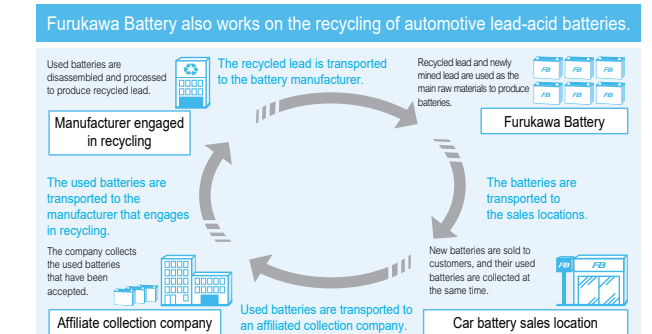
to address biodiversity, the thorough management of harmful substances, and environmental education provided to employees and affiliate companies.

 [Environmental Policy](https://corp.furukawadenchi.co.jp/en/csr/eco/guideline.html)  
https://corp.furukawadenchi.co.jp/en/csr/eco/guideline.html

## Initiatives contributing to the creation of a recycling-oriented society

Furukawa Battery has endeavored to reduce the impact on the environment and lower CO<sub>2</sub> emissions through the expansion of eco-friendly products such as energy storage systems that combine lead-acid batteries for eco-friendly vehicles with renewable energy. We also focus on recovering resources from used products (recycling) and the proper disposal and recycling of industrial lead-acid batteries as a certified wide-area disposal company. Furukawa Battery works to promote the effective utilization of precious resources while helping to prevent environmental pollution and recycle domestic resources.

### Lead-acid batteries are excellent for recycling



## TOPICS Imaichi Plant receives top prize as part of Kanto Region Electricity Usage Rationalization Committee Chairman's Awards

In February 2020, the Imaichi Plant was selected as a business operator engaged in outstanding energy management for notable contributions to energy conservation as part of the Kanto Region Electricity Usage Rationalization Committee Chairman's Awards, which are organized by the Kanto Branch of the Japan Electric Association. The Imaichi Plant was awarded the top prize at the event. In addition, Toshikazu Ueda, who works in the plant's Equipment and Machinery Engineering Department, was also selected as a "Distinguished Achiever in Energy Management" and received a commendation. The Imaichi Plant has implemented a series of measures leading to energy conservation including innovations to curb electricity consumption and the introduction of inverters in its dust collectors. The reduction in annual electricity usage of approximately 200 megawatt hours as a result led to the plant receiving the awards.



Presentation ceremony (February 14, 2020)

## TOPICS Conducting SDGs training for officers

In February 2020, SDGs training was provided to internal directors, an Audit & Supervisory Board members and executive officers. The training involved receiving an overview of the SDGs and learning about social issues and other matters, followed by a workshop where the business activities of Furukawa Battery were linked with the 17 goals and 169 targets of the SDGs. Discussions took place on what approaches Furukawa Battery can take to solve social issues.

In the future, we will look at the wide range of social issues that were identified, organize those that are closely associated with Furukawa Battery and whose resolution would contribute to improved corporate value in order of priority, and determine "Important Social Issues" from the perspective of Furukawa Battery and its stakeholders.







## Quality

We aim to be number one in the industry for providing the technologies that customers expect along with trusted quality and service that provides satisfaction.

### Basic approach

Quality at Furukawa Battery applies not only to the products themselves, but to every stage, every category and every level of our corporate activities, from research and development to manufacturing, service and administrative operations. We continually iterate on a PDCA-based management cycle that

is factually based to maintain and improve the quality of our products, services and business operations. Moreover, we recognize that building trust from society by guaranteeing quality in a comprehensive fashion is essential to achieving the basic principles and goals of Furukawa Battery.

### Integration of ISO 9001/ISO 14001 management systems

After obtaining ISO 9001 certification for quality management systems (QMS) in our nickel and hydrogen battery operating divisions in 1995, in 1999 the Iwaki and Imaichi Plants each obtained ISO 14001 certification for environmental management systems (EMS). In February 2017, the certification was extended to the head office and nationwide brand offices, with the certification now covering the entire company to realize higher-level activities.

Furukawa Battery originally operated its ISO 9001 QMS and ISO 14001 EMS separately. In April 2016, however, we established a policy of unifying its environmental and quality initiatives with operations and actively working to not only improve customer satisfaction but also preserve the global environment and build a sustainable society. Accordingly, we built and began operating a Business Management System that integrates the QMS and EMS.

Furukawa Battery has added environmental aspects to the focus on quality it has embraced since its founding, and applies these initiatives to the business procedures of each division and organization based on the Business Management System. Moving forward, we will continue to cultivate an awareness of the PDCA cycle in all our business operations including back-office functions, and build upon ongoing and proactive improvements through reciprocal checks by way of internal audits, management reviews and other activities.



An internal audit underway

全員の英知とチームワークで築く 3BEST <sup>FB</sup>	
1. Best Technology	お客様から・・・期待される技術
2. Best Quality	信頼される品質
3. Best Service	満足されるサービス
を提供する FB 古河電池	

Quality slogan (established in 1994)

## Contribution to Society

We will learn about social issues and the expectations of society through dialogue with various stakeholders, and continue to contribute to society by tackling issues and meeting expectations on a company-wide basis.

### Supporting the education of children who will represent the next generation

#### Supporting the 24th Kanagawa Yume-e Contest

The Kanagawa Yume-e Contest, Kanagawa Prefecture's largest drawing contest for elementary school students, aims to "give confidence and joy to as many children as possible." This sentiment resonates with Furukawa Battery, which decided to become a corporate supporter of the contest as a result. A drawing of a "Piano that makes rainbows" by a first year elementary school student was determined as the winner of the Furukawa Battery Prize in the 24th contest.



Prize winner Chiharu Hashimoto

### Strengthening regional exchanges and health & productivity management through sports

#### Providing support for regional sports

Furukawa Battery sponsors sporting events and teams in the regions in Japan and overseas where its operating sites are located. We work to strengthen regional exchanges and health & productivity management by having employees take part as players or volunteer staff. In FY2020, Furukawa Battery sponsors the Yokohama Marathon, ITU World Triathlon Yokohama, and the Iwaki Sunshine Marathon. Our Thailand-based subsidiary SFC and Indonesia-based subsidiary FIBM also deepened exchanges with local stakeholders through support for locally held marathons and by taking part in relay races.



FB Battery River Kwai Half Marathon Thailand Championship 2019 (left)  
Jakarta Kizuna Ekiden 2019 (right)

### Initiatives addressing issues in local communities

#### Activities by Thai subsidiary SFC in flooded regions

In September 2019, flooding and landslide disasters occurred in the northeastern region of Thailand, damaging hundreds of thousands of homes and forcing the evacuation of more than 20,000 people from submerged areas. Employees of Furukawa Battery's Thai subsidiary SFC traveled to the disaster-affected region and worked with local engineers to make battery-related repairs to submerged two and four-wheeled vehicles.



Employees of SFC conducting volunteer repair work in a disaster-affected region



Activities for Contributing to Society  
<https://corp.furukawadenchi.co.jp/en/csr/community.html>





**We are striving to become a battery manufacturer that exerts a global presence in the rapidly changing automotive market.**

**Hideaki Ogawa**  
Senior Managing Director,  
Executive Corporate Officer and Head of the Automotive Battery Group

#### Opportunities

- Increase in cars using EN standards-compliant batteries
- Expansion of the eco-friendly vehicle market in Japan and overseas
- Expansion of motorization in developing countries
- Development of next-generation batteries
- Advance of industry reorganization
- Changing sales operation

#### Threats

- Worsening demand associated with a changing global situation, rapid changes to the structure of society
- Intensifying price competition and fall in market prices
- Strengthened law regulations regarding lead in Europe and elsewhere
- Global warming

#### Strategy

- Fully leverage the technological and development capabilities cultivated through installation in new vehicles to promote the manufacturing and sale of products adapted to change
- Augment production capacity and improve business efficiency through capital investment
- Enhance earnings potential by reducing costs and optimizing production systems

### Pursuing medium- to long-term growth

In FY2020, Furukawa Battery invested in equipment in Japan and Thailand, augmented production capacity and streamlined production in an effort to lay the foundations for long-term growth. The Japanese market is not likely to undergo a dramatic expansion in the future, and Furukawa Battery is strongly aware of the impact that the COVID-19 pandemic has had. However, by improving the operational rate of the equipment we have invested in to date and further strengthening cost competitiveness, we believe that we can pursue an expanded market share in the medium to long term. At our Thai subsidiary SFC, competition in the market continues to intensify and due to the COVID-19 pandemic the number of new vehicles produced and sold in the ASEAN region has declined. Due to these factors, we believe that a decline in battery sales volume for a certain period will be unavoidable. However, we will minimize this period of stagnation by drawing upon our strengths, including the improved production and sale of products for eco-friendly vehicles we have already been pursuing, and success in building the brand in Thailand. Our Indonesian subsidiary FIBM has been similarly affected by the COVID-19 pandemic, and although we forecast a challenging situation in 2020, through continued support from Japan we will make further improvements to production capabilities, quality and cost competitiveness.

#### Priority Long-Term Themes

In terms of the automotive business, while motorization is advancing in the markets of developing countries, markets in Japan and other developed countries are expected to undergo structural changes towards electric vehicles, automation and service-oriented offerings (CASE, MaaS). Under these circumstances, we see the new development of products offering competitive quality, cost and functionality in the markets of developing and developed countries respectively, and enhanced marketing capabilities to expand these markets, to be the issues for Furukawa Battery to recognize and overcome. While the COVID-19 pandemic will be a factor inhibiting growth of the CASE (mobility + 5G and other communications) market in the short term, in the long term Furukawa Battery is looking to contribute to the creation of a new society by leveraging the technological capabilities it has cultivated to date in the storage battery and non-battery fields to create value distinctive to the company. For the period during and after the COVID-19 pandemic, we will look beyond the scope of business and products that fall within our existing automotive and industrial businesses and pursue the supply of technologies and services the areas of infrastructure and communications that facilitate mobility, and at the same time aim to launch more robust automotive battery products in markets where motorization is still gaining ground.



**We will respond to market changes with a speedy, market-centric approach, actively take on new challenges and contribute to the creation of a safe, secure and comfortable society.**

**Eizo Sakagami**  
Managing Director,  
Executive Corporate Officer and Head of the Industrial Equipment Group

#### Opportunities

- Expansion of renewable energy markets overseas
- Development of next-generation lithium-ion batteries
- Expanding needs for distributed energy sources and virtual power plants
- Advance of industry reorganization

#### Threats

- Worsening demand associated with a changing global situation, rapid changes to the structure of society
- Intensifying price competition and fall in market prices

#### Strategy

- Make full use of our technological advantages, an extensive product lineup that includes lead-acid batteries, alkaline storage batteries and power supply equipment, and systems that comprehensively handle everything from manufacturing and sales to installation work, maintenance and inspections, and in doing so better serve our customers, expand the areas in which we do business and accelerate profitability gains.
- Strengthen partnerships including collaboration and technical alliances to promote development of overseas rail and electricity storage markets
- Building new business models that emphasize solutions and services (technology and installation)

### Pursuing medium- to long-term growth

In FY2020, in addition to a favorable external environment including increased infrastructure demand and growth in the data center market, we achieved increased sales and profits along with higher profit margins against a backdrop of results from stronger sales for new and updated properties. Public cloud services, which are the driving factor behind growth in the data center market, are expected to increase in size at least until the year 2024, and represent a favorable trend for Furukawa Battery. On another front, demand is expected for new transportation infrastructure equipment such as the Linear Chuo Shinkansen Line. Furukawa Battery has already launched FCR type valve-regulated stationary lead-acid batteries on the market, providing long life and high performance in applications such as planned power outages of above-ground rail equipment. The FCR series will expand our contributions to the rail sector as we fully utilize our track record of adoption by multiple railway companies and the knowledge and networks cultivated through alkaline storage batteries supplied for railway equipment. As the FCR series also offers improved durability and a longer life compared with previous products, it is also well suited to deployment in the area of renewable energy, and we will aim to provide solutions covering a wider range of business fields going forward.

#### Priority Long-Term Themes

In the industrial business, while demand in areas such as data centers and smart grids will expand, price competition is also expected to intensify. Under these conditions, we will continue to develop the lithium-ion battery business, which boasts a proven track record for use in space, while promoting alliances with universities and other outside parties to drive the evolution of competitive lead-acid battery technologies and pursue the development, practical application and market launch of next-generation storage batteries. Furukawa Battery already maintains an extensive customer base in existing markets. Leveraging the technological capabilities, service skills and quality we have honed at customer sites in everything from manufacturing to maintenance and inspection, we will focus on expansion in the promising future growth area of alkaline storage batteries for the overseas rail industry and the provision of status monitoring services. Regarding new markets, we will strengthen our foundations through partnerships including collaboration and technical alliances to roll out our existing technologies and products in new markets, and will also look to launch new products on these markets. For example, we will steadily roll out products and services that allow us to differentiate in areas of growing demand, such as the launch of bipolar storage batteries for the electricity storage markets in Japan and overseas. These developments will translate into growth in the future.

## Global Network

### Main group companies and production sites

#### Thailand

SIAM FURUKAWA CO., LTD.  
Saraburi

SIAM FURUKAWA TRADING CO., LTD.  
Bangkok

#### Indonesia

PT.FURUKAWA INDOMOBIL BATTERY MANUFACTURING  
Purwakarta

PT.FURUKAWA INDOMOBIL BATTERY SALES  
Purwakarta

#### Japan

The Furukawa Battery Co., Ltd. Imaichi Plant  
Imaichi City, Tochigi Prefecture

The Furukawa Battery Co., Ltd. Iwaki Plant  
Iwaki City, Fukushima Prefecture

Furukawa Battery Marketing Co., Ltd.  
Shinagawa Ward, Tokyo (six sites around Japan)

Furukawa Battery Niigata Co., Ltd.  
Niigata City, Niigata Prefecture

FB Package Co., Ltd.  
Iwaki City, Fukushima Prefecture

Daiichi Giken Kogyo Co., Ltd.  
Utsunomiya City, Tochigi Prefecture

HD Holdings Co., Ltd.  
Shinagawa Ward, Tokyo

ABRI Co., Ltd.  
Hachioji City, Tokyo

### Main partners

Dry Cell and Storage Battery Joint Stock Company (PINACO)  
Ho Chi Minh, Vietnam

Exide Industries Limited  
Kolkata, India

EXIDE Pakistan Limited  
Karachi, Pakistan

Shandong Sacred Sun Power Sources Co., Ltd.  
Shandong, China

East Penn Manufacturing Company, Inc.  
Pennsylvania, USA

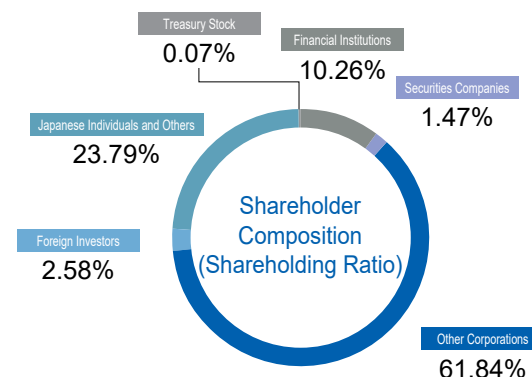
## Corporate Information

### Company profile (as of March 31, 2020)

Corporate Name	The Furukawa Battery Co., Ltd.
Established	September 1, 1950
Capital	¥1,640 million
Number of Employees	Consolidated: 2,408 Non-consolidated: 962
Fiscal Year	From April 1 to March 31
Head Office	2-4-1, Hoshikawa, Hodogaya-ku, Yokohama city, Kanagawa, 240-0006, Japan Telephone: +81-45-336-5034
Stock Exchange Listing	Tokyo Stock Exchange
Securities Identification Code	6937
Transfer Agent for Common Stock	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo, Japan

### Stock information (as of March 31, 2020)

Total Number of Authorized Shares	80,000,000
Total Number of Shares Issued	32,800,000
Number of Shareholders	6,835



### Major Shareholders

Name of Shareholders	Number of Shares Held (Hundreds of shares)	Shareholding Ratio (%)
Furukawa Electric Co., Ltd.	187,812	57.30
The Master Trust Bank of Japan, Ltd. (Account in Trust)	6,208	1.89
Furukawa Battery Trading-Partner Shareholding Association	5,490	1.67
Japan Trustee Services Bank, Ltd. (Trust Account)	4,702	1.43
Asahi Mutual Life Insurance Company	3,520	1.07
Hino Motors, Ltd.	3,300	1.01
Japan Trustee Services Bank, Ltd. (Trust Account No. 5)	2,915	0.89
Sompo Japan Nipponkoa Insurance Inc.	2,370	0.72
The Toho Bank, Ltd.	2,300	0.70
Akio Yoneda	2,230	0.68

Note: The shareholding ratio is calculated by excluding the number of treasury stock (22,059 shares).

The details of this report are also available from the Furukawa Battery website.

**Website**  
<https://www.furukawadenchi.co.jp/english/index.htm>

**IR Information**  
<https://corp.furukawadenchi.co.jp/en/ir.html>  
Department Responsible: Planning & Strategy Department, Planning & Strategy Division

**Sustainability**  
<https://corp.furukawadenchi.co.jp/en/csr.html>  
Department Responsible: Environment Promotion Department, Environmental Safety & Health Promotion Division

#### Disclaimer

Mentions of forward-looking information including future plans, forecasts and strategies of Furukawa Battery and the Furukawa Battery Group are based on certain assumptions deemed reasonable by Furukawa Battery in light of currently available information, and results including actual business performance may vary significantly from expectations. These forward-looking statements incorporate various risks and uncertainties, including but not limited to the key aspects described below.

- Impact due to exchange rate fluctuations\*
- Changes to pricing of the raw materials used in major products
- Overseas political and social risks
- Deteriorating business performance, etc. on the part of business partners
- Impact from large-scale disasters including earthquakes, typhoons, floods and other natural disasters, and infectious diseases





***FB* FURUKAWA BATTERY**