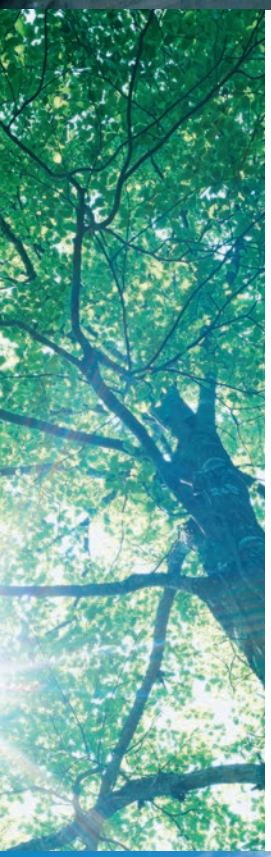
FURUKAWA BATTERY

FURUKAWA BATTERY REPORT 2014

FOR SOCIETY

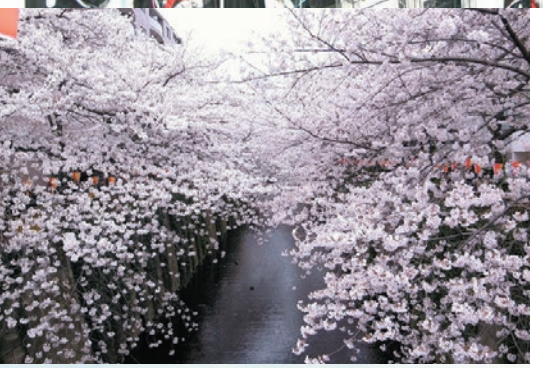
To contribute to the realization of a rich and sustainable society



FB batteries provide safe and comfortable energy

Since our establishment in 1950, Furukawa Battery has constantly taken on the endless challenge of creating the shape of new energy. The results of our efforts are the FB batteries that are used as a powerful energy source supporting the diverse fields of IT, transportation, industry and the environment, even in today's society of increasing diversity and scale.

To further meet needs of ever-greater sophistication and diversification, our efforts comprehensively span from fundamental research to application development and commercialization, and using cutting-edge technological capability, we supply high-quality energy for the new age.

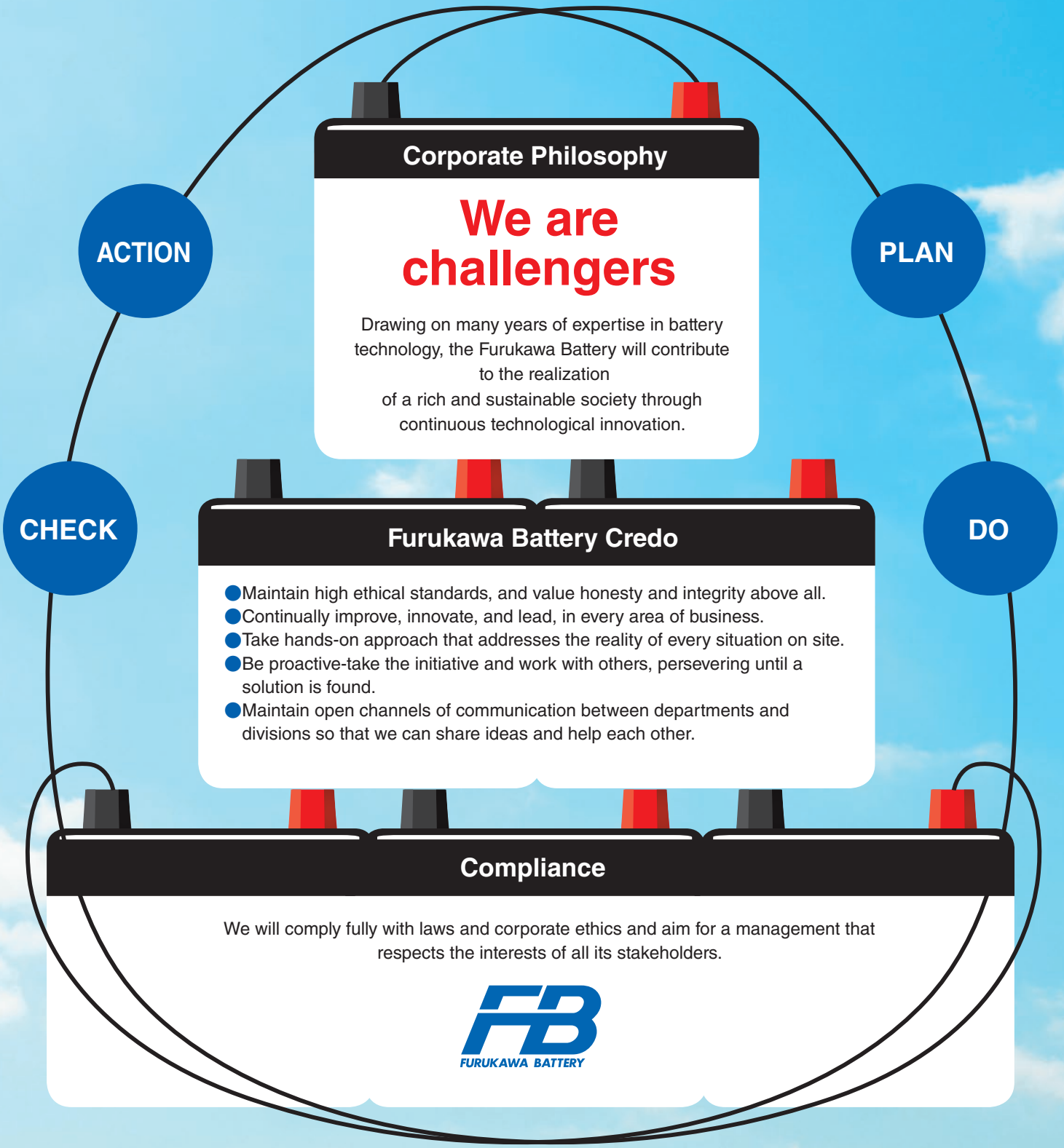


To contribute to the progress of society and the age by developing next-generation environmentally friendly energy

Furukawa Battery's products include lead-acid storage batteries for automobiles, aircrafts, alkaline storage batteries for measurement instruments etc., power supply systems, battery monitoring systems, and more. We strive to use our wide network to improve services in such was as speedily providing products that meet the needs of users in Japan and around the globe.

We also vigorously conduct R&D to develop batteries for solar photo-voltaic power systems and environmental automobiles, among other developments. As a battery manufacturer, we combine the latest technological capability with know-how to lead the way in new fields using the outstanding energy of FB batteries.

Philosophy of Furukawa Battery



Corporate Philosophy

We are challengers

Drawing on many years of expertise in battery technology, the Furukawa Battery will contribute to the realization of a rich and sustainable society through continuous technological innovation.

Furukawa Battery Credo

- Maintain high ethical standards, and value honesty and integrity above all.
- Continually improve, innovate, and lead, in every area of business.
- Take hands-on approach that addresses the reality of every situation 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.

Compliance

We will comply fully with laws and corporate ethics and aim for a management that respects the interests of all its stakeholders.

FURUKAWA BATTERY

FURUKAWA BATTERY REPORT 2014

■ Editorial policy

Furukawa Battery manufactures and sells batteries that are designed to store energy and then use it when required. We are committed to producing environmentally friendly products, as a provider of energy supply systems that form an essential part of people's everyday lives. We have edited this report with the aim of concisely outlining our initiatives based on our targets, results and activities, as well as specific examples.

While editing this report, we have made all possible effort to produce a report that adheres to the frameworks of the "G3 Sustainability Reporting Guidelines" of the Global Reporting Initiative and the "Environmental Reporting Guidelines (Year 2012)" of the Ministry of the Environment (Japan Government). As a part of the Furukawa Battery Group's efforts to address the 7 core subjects of social responsibility outlined by ISO26000, we created the following marks.

■ Organizations covered by this report

This report covers The Furukawa Battery Co., Ltd. and all of its consolidated subsidiaries. Environmental data relates to Furukawa Battery's Iwaki and Imaichi Plants.

■ Reporting period

Fiscal 2013 (April 2013 – March 2014)

■ Date of publication

August 2014

(Next report scheduled to be published in August 2015. Previous report published in August 2013)

■ Inquiries

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This report has been compiled using the latest information at the time of editing and includes some information prior to fiscal 2013. Please bear in mind that forecasts and other forward-looking statements are subject to change. Actual results may vary due to any number of reasons.

TOP MESSAGE

Using our originally developed, advanced and cutting-edge technology we at Furukawa Battery will do our level best as "challengers" to realize an environmentally friendly futuristic society.

Awareness of external environments

Short-term forecast for positive growth

It is now the sixth year that we established "Dynamic Innovation 2020," the long-term management vision to provide the framework for sustainable growth. For the next two years, Japan's long-term economic forecast predicts that "economic activity will grow amid a climate of investment for restoration demand and renewable energies, despite increases in electricity rates due to the increase in the cost of fuel of thermal power generation, the rising cost of goods, and a rise in the consumption tax." After this period, the recovery of the Japanese economy, under the new government administration, must be realized through Abenomics-style growth strategies and economic measures such as increasing the consumption tax. Most economic observers expect the pickup in the overseas economy to continue in fiscal 2014 and for a rise in exports to boost economic activity. Although a reactive lull in consumer demand is expected after the temporary rise in demand before the consumption tax rise, with the help of government-led economic measures, the growth rate is expected to remain at a modest positive figure.

Overseas, concerns such as economic policy restraints in the United States, monetary instability in China, and worries of the debt crisis reemerging in Europe are routinely appearing and vanishing. Nevertheless, the fact that the Olympic Games are to be held in Tokyo is a reason for optimism in Japan.

Toward sustainable growth

Accelerating business development to achieve our Management Vision

In July last year, all divisions reviewed our concrete actions that are providing us with a strong footing to achieve our long-term business vision. As a result, we solidified our objectives for fiscal 2014 and fiscal 2015 by formally disclosing the 2013-2015 Medium-Term Plan. We declared fiscal 2014 as an important year for plant restructuring in Japan in order to achieve our fiscal 2015 goals.

It is also our urgent mission to construct a more global management structure to strengthen overseas business development. To provide the underlying strength for this leap forward, we will continue our identity as challengers and give our best level efforts in each of our divisions to achieve the growth strategies.

With a sense of urgency, each division is making an early start toward their respective basic policies and key measures.

Katsutoshi Tokuyama, President

徳山勝敏

Key objectives and measures for fiscal 2014

I Group-wide Initiatives

A. Initiatives for the environment

1. Develop and commercialize environmental products
2. Create a safe and comfortable workplace: construct a health and safety system and create a zero-accident, comfortable workplace
3. Further strengthen the quality management system and strengthen initiatives for the environment by promoting ecological activities

B. Compliance

Realize full compliance, prevent incidents through risk control and minimize loss through swift restoration

C. Streamlining and profitability

1. Concentrate management resources through "selection and concentration"
2. Strengthen purchasing power through the timely monitoring of costs and management of procurement risks

D. Strengthen synergies of the Furukawa Battery Group

Strengthen synergies by developing environmental and social systems such as smart grid businesses

E. Energize intermediary departments

Strategically deploy personnel and boost training to strengthen the underlying capabilities for competition and growth

F. Reduce expenses, etc.

Follow "selection and concentration" strategy to rigorously pursue streamlining

II Business divisions (Automobile, Industry, UB*) * UB: UB Business Department

1. Proceed swiftly to reduce costs and improve quality
2. Expand globally, broaden markets and implement every possible measure to maximize revenues
3. Conduct development and market launch of batteries for environmental automobiles and promote and expand sales of UltraBattery.
4. Conduct efficient sales of maintenance batteries and improve market share by strengthening efforts for replacement fields.
5. Carry out initiatives for related businesses such as smart grids

III Sales divisions

1. Strive to maximize sales revenues by improving sales productivity, optimizing sales personnel, and promote the development of new markets
2. Reinforce credit management and aim for zero credit default loss

IV Equipment and production technology divisions

1. Completion of "equipment investment for Fukushima restoration subsidy and cost reduction by improved
2. Advancing Iwaki Plant as the automobile mother plant and preparing to make the Imaichi Plant the industry mother plant

V R&D divisions

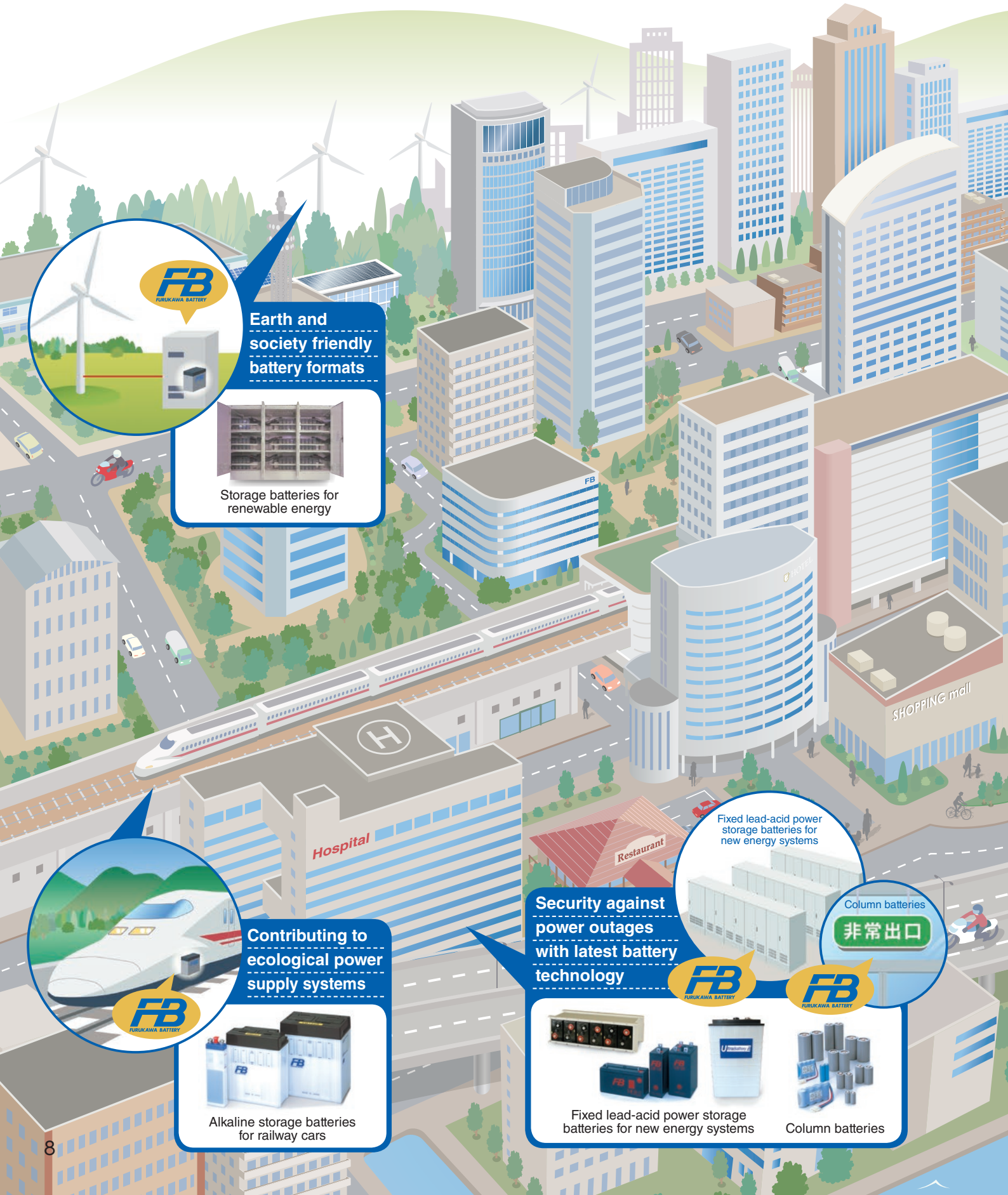
1. Develop and advance "selection and concentration" strategies aimed at shortening lead time and streamlining operation up until market launch
2. Conduct market launch of highly safe industrial lithium ion batteries and install on the "Hayabusa II"
3. Create new products (especially and conduct product commercialization and market launch of magnesium air battery)

VI Head Office divisions

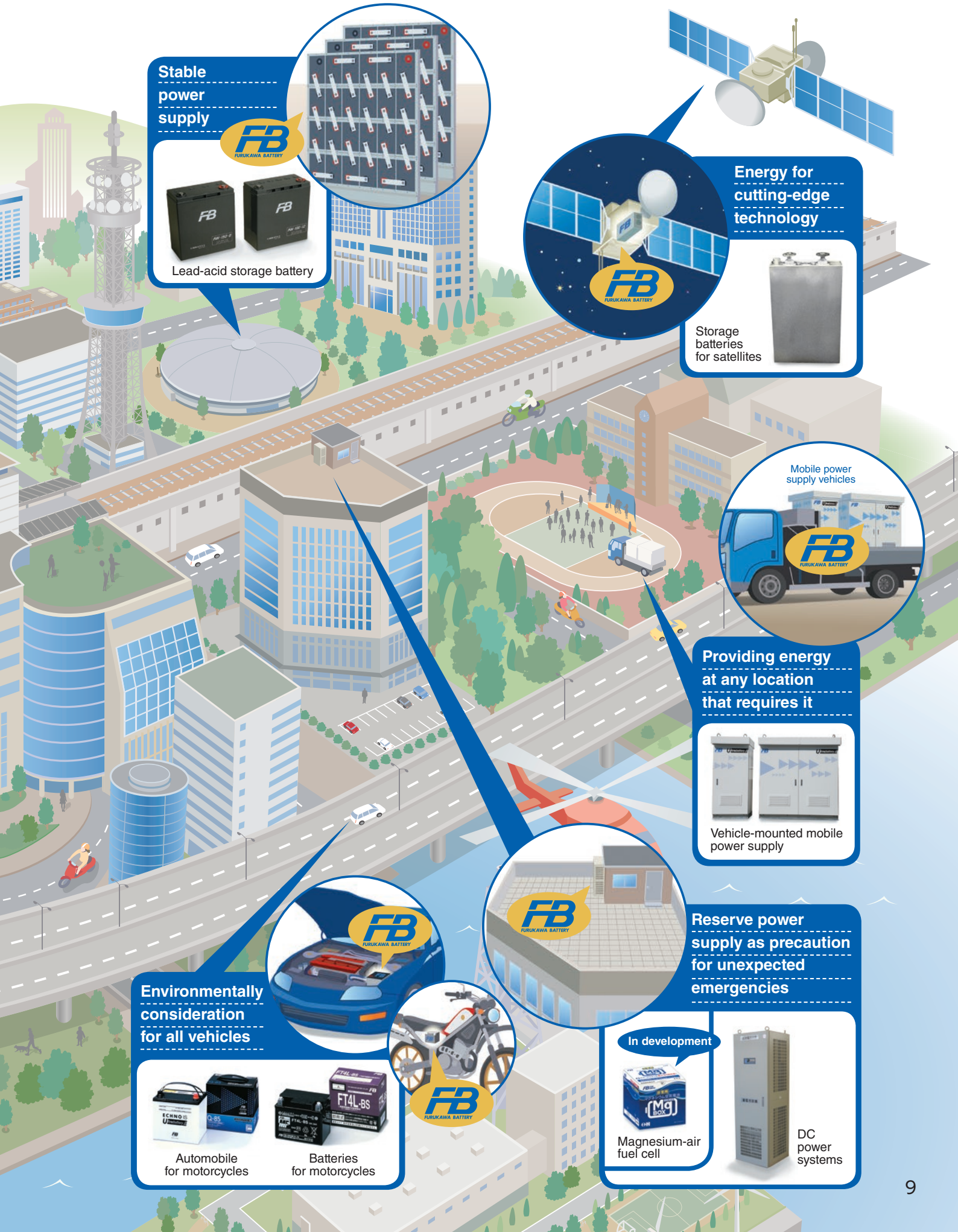
1. Reinforce capabilities for planning, concepts, proposals, information gathering, analysis and communicating to streamline the entire Group
2. Creating schemes to secure and develop personnel for globalization

Furukawa Battery's products serve

In transportation systems such as automobiles, trains and ships, our products are used as the energy to actually make these systems go. Our products also provide the energy for batteries in reserve to support the various fields in which companies are now dependent on advanced IT systems, and also highly reliable power supply for space development. In fact, the technology of Furukawa Battery can be found in all aspects of life.



society by laboring in the background.



Special Feature 1 Global Business Development

Furukawa Battery Overseas Business

Furukawa Battery has been supplying rechargeable batteries that fulfill important roles in environmental measures. As part of the disaster restoration at our Iwaki operations in Fukushima Prefecture, we are striving to expand the production volume of these batteries and create further employment. In addition, we aim to carry out the reforms at the Imaichi Plant in Tochigi Prefecture following a review of the production line and improve its capability as a domestic production base.

In the overseas automobile battery business, we have constructed a new production line at our Thai subsidiary Siam Furukawa. And we are constructing a new plant in Indonesia.

The Furukawa Battery Group plans the following overseas business expansion as part of the increase in the Group's overall production capability. At our Thai subsidiary Siam Furukawa, we plan to double the production capacity.

Currently, 70% of batteries for motorcycles are manufactured at Siam Furukawa, and furthermore we plan to shift some of its production lines in Japan to Thailand.

Cityscape in Kingdom of Thailand

Also, in Indonesia, where automobile demand is continuing to grow rapidly, we aim to realize new overseas expansion through our establishment of the joint-venture with the INDOMOBIL Group.

Cityscape in Indonesia

Establishment of joint venture in Indonesia, which manufactures batteries for automobiles and motorcycles

In a joint venture with the INDOMOBIL Group, Furukawa Battery established PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING, located in the Kota Bukit Indah Industrial City, about 65km from Jarkarta in December 2013, and construction of the plant has started. The plant is scheduled to be completed in 2014, and we plan to start full-scale operation from 2015 after confirmation by trial operation and the acquirement of various accreditations. This plant will operate the entire manufacturing process seamlessly from raw material purchase through to assembly, and thereafter, it will increase its production volume.

Concept image of the completed plant

Establishment ceremony in November 2013

New establishment party in May 2014


Construction of plant in progress


Kota Bukit Indah Industrial City

President Ishizaki's aspirations

Shunji Ishizaki, President of PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING

Despite many issues to overcome such as securing the construction site for the new plant, deciding the construction company, adjusting manufacturing processes, selecting the equipment to introduce, creating the organization to adjust the introduction period, start up the equipment and begin production, securing and training personnel, and coordinating with suppliers, we plan to combine our efforts and clear each hurdle one by one.

Special Feature 2 UltraBattery (new release)

Story of UltraBattery's development

2003 Was approached by Dr. Lam of CSIRO*1 for joint development.

2004 Concluded license agreement for joint development. UltraBattery Project started!

2006 Developed prototype battery for automobiles. Joined the HEV Project of ALABC*2.
Started in-vehicle testing with this battery installed as main battery in place of medium HV-vehicle Ni-MH battery.

2008 Achieved 160,000 km of vehicle running. Shows capability as lead-acid battery.

2011 Trend of Japanese vehicles adopting idle stop system (ISS)*3. Car manufacturers turned their attention to UltraBattery!

2012 Participated in verification testing by NEDO*4 and started testing UltraBattery for industrial use.

2013 Car manufacturers adopted automotive UltraBattery! Made available for sale. Received Nikkan Jidosha Shimbun Car Accessory Award!

*1 CSIRO: Commonwealth Scientific and Industrial Research Organisation; *2 ALABC: Advanced Lead Acid Battery Consortium;
*3 ISS: Vehicles with system installed to control recharging. Start-stop vehicles or idle-stop vehicles, etc.
*4 NEDO: New Energy and Industrial Technology Development Organization

What is an UltraBattery?

Lead-acid battery

- Lead electrode
- Electricity is storaged by chemical reaction

**Capacity is large
Large discharge current can be obtained**

Capacitor function

- Carbon electrode
- Electricity is storaged by physical reaction

**Recharging is fast
Deterioration is slow**

Combine

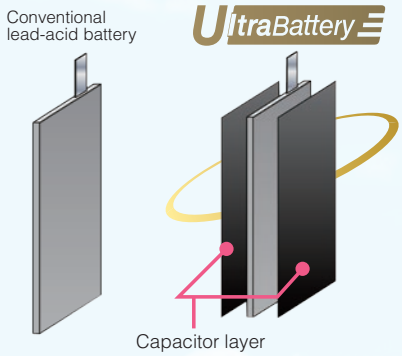
Development of Ultra-capacitor lead-acid battery

UltraBattery

- **Recovering charge is speedy!**
- **Powerful even under harsh environment!**

• Structure of negative electrode

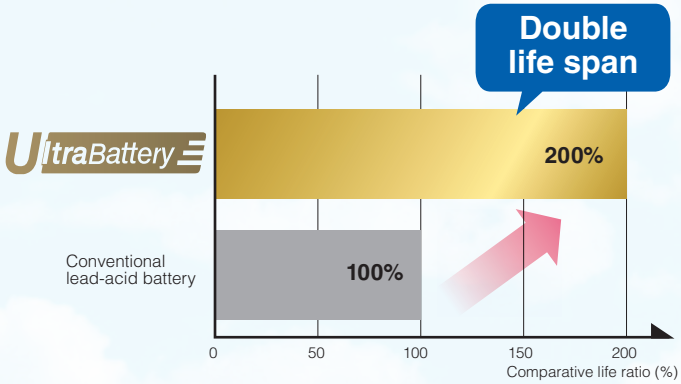
The UltraBattery has the uniquely hybridized construction of our original-technology capacitor layers*5on both sides of the negative electrode.
Capacitor function increases speed of recharging recovery



*5 Special material that provides the capacitor function (our patented technology)

• Long life even when poor charge state

By raising the recovering charge speed through the capacitor-layer hybridization, it also overcomes the poor charge state where batteries do not perform well.
Compared with conventional batteries, life span is doubled!*6



*6 Compared with automotive UltraBattery. Industrial type is 1.5 times the conventional battery

UltraBattery for automobiles

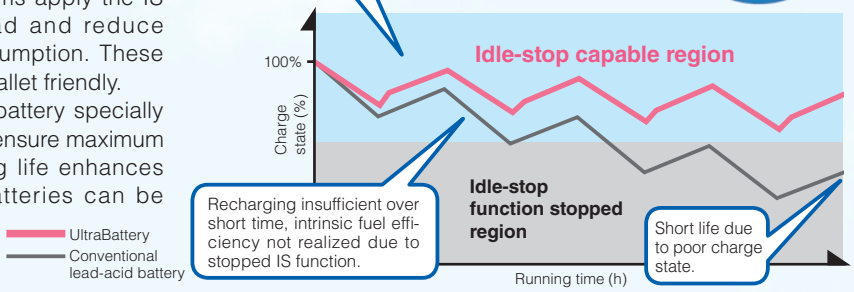
• ECHNO IS UltraBattery for Idle-stop car

Vehicles with idle-stop (IS) systems apply the IS function to reduce engine load and reduce emission gas and gasoline consumption. These eco-cars are planet friendly and wallet friendly.

UltraBattery is an advanced battery specially designed for idle-stop vehicles to ensure maximum eco-car performance. Their long life enhances ECO credential! Also, used batteries can be collected and 100% recycled.

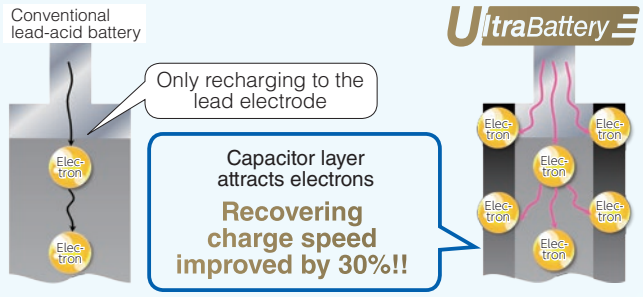
Durable, hence economical

- By enabling long-term use of IS function, **high fuel efficiency was realized.**
- By achieving more efficient recharging, **deterioration was slowed for longer life!**



• Image of recovering charge by capacitor function

Because the capacitor layer attracts electrons, the speed of recovering charge is improved by 30%! Due to better recharging efficiency, poor charge state is reduced to give the battery longer life!



Enhanced product warranty
36 months or 60,000km*7

Reassuringly long warranty! Longest warranty period among Japanese manufacturers.

It is a long-lasting, environmentally friendly battery.

Applicable with the ordinal car. Same as the warranty period.

*7 Until whichever arrives quicker after purchasing

Kana Endo
Sales Engineering Sec.
Engineering Dept.
Production Div.
Automotive Battery Group

UltraBattery for industrial use

"UB-1000" contributes to energy efficiency and conservation

Recently, in reaction to the deepening energy problem, there is a growing trend toward effective utilization of limited resources. Much attention has turned to solar photovoltaic power generation and wind power generation.

As the UB-1000 can be efficiently recharged, it can be combined with renewable energy to support stable supply of electric power. It also contributes to both energy efficiency and energy conservation by storaging electricity during nighttime when electricity prices are cheap (peak shift) and using the storaged electricity during the day during peak electricity supply (peak cut).

The battery is also environmentally friendly and it can be recycled in the same way as conventional lead-acid batteries.

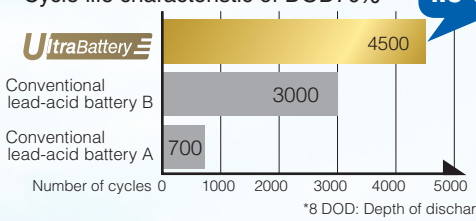
Contributing to clean and green cities

Tetuya Kanou
Sales Engineering Dept.
Sales & Marketing Div.

UB-1000 now available!
UB-50-12 available in 2014!

Cycle life characteristic of DOD70%*8

1.5 times

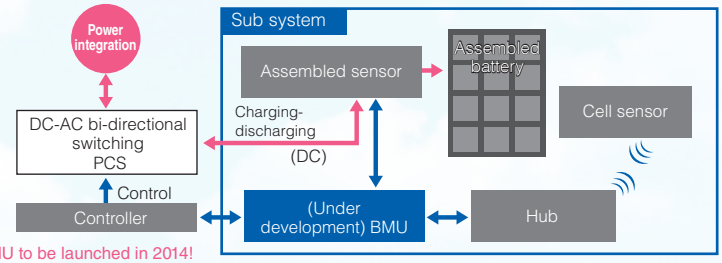


*8 DOD: Depth of discharge

• Battery monitoring unit (BMU) manages the energy operation

The battery is the core component for energy operation.

By combining it with a battery monitoring unit (BMU), it is possible to constantly monitor the State-of-Charge (SOC) and the State-of-Health (SOH). By conducting suitable management and maintenance, it is possible to use the system for a long time.

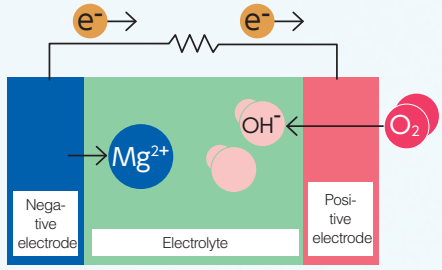


BMU to be launched in 2014!

Special Feature 3 Magnesium-Air Battery (in development)

What is magnesium-air battery?

Magnesium-air battery is a (primary) battery that used oxygen in the air as a cathode material, magnesium as an anode material, and salt water as an electrolyte.



$$Mg + 1/2O_2 + H_2O \rightarrow Mg(OH)_2$$

Features of the magnesium-air battery

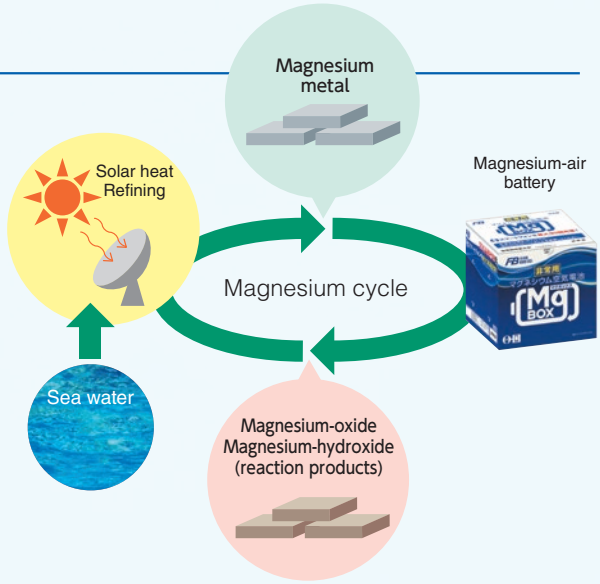
- ○ All materials **are no restricted resources** (our batteries do not include any materials such as rare metals)
- ○ Theoretical **energy density is high**
- ○ If the electrolyte solution is not added, **it can be stored for a long time** (the battery can be brought to use by adding material such as sea water)
- × Not suitable for high power output
- × After discharge has started, it cannot be interrupted

The magnesium cycle

As magnesium is contained in sea water, it can be harvested even in Japan. It is also a metal that does not necessarily require electricity to refine it (Pidgeon process).

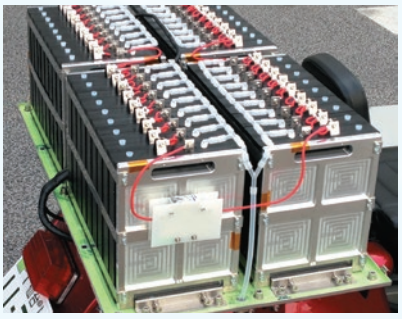
Magnesium metal in the magnesium-air battery converts' magnesium compounds after discharge but the regeneration technology of magnesium metal by the natural energy is establishing.

Accordingly, the magnesium-air battery can potentially **create clean energy**.



Demonstration run by (electric) Trike applied with the magnesium-air battery

On December 11, 2012, the Trike applied with the magnesium-air battery run from Iwaki to Sendai (about 110km). The magnesium-air battery developed for the electric trike can stably discharge for a long period and does not spill liquid while running.



The Trike applied with the magnesium-air battery

President Tokuyama about to give the signal to start Furukawa Battery Iwaki Plant

Trial product Mg-BOX

At the time of a disaster, one of the most serious problem is battery consumption in a portable device. The Furukawa Battery located in the stricken area of great east Japan earthquake has developed based on this experience the power source which can supply electric power easily for many portable devices, and install in the shelter.

The magnesium-air battery trial product Mg-BOX has been manufactured as one of the emergency power source. “Mg-Box” is able to be started power generation only by filling water, so that can supply the electric power and charge to many portable devices.

- “Mg-Box” generates electricity only by filling water
- “Mg-Box” is equipped with two output terminals of the USB type
- “Mg-Box” has along storage time

- It will not be necessary to use water for drink, which becomes precious in emergencies!
  Mg-Box generates electricity using sea water, river water, or left-over bath water without a problem!!

Battery specifications	
Operating time	Maximum 5 days
Output energy	300 Wh
Dimensions	233 × 226 × 226 mm
Weight	1.6 kg (before adding water)

USB-Box specifications	
Output voltage	DC 5.0 V
Maximum current	1.2 A

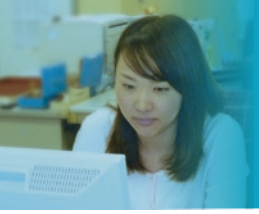
Mg-BOX being used to power LED lights and recharge a smartphone at the same time

Experimental product story

At the initial period of the development, batteries were tried that had cheap plastic plates stuck on with adhesive. After repetitive trials, a midget lamp was lit, to our managers' delight. We pushed forward with the fundamental research and later we were able to run a vehicle (electric trike). Then, up until now, we have been conducting application research aimed at creating a commercial product. I personally have been involved right from the first stages, and it has become my passion.

Ayano Ito, Development Department, Research & Development Division

Masaaki Kubota, Development Department, Research & Development Division



FOR GROWTH

To be a company with high expectation for growth

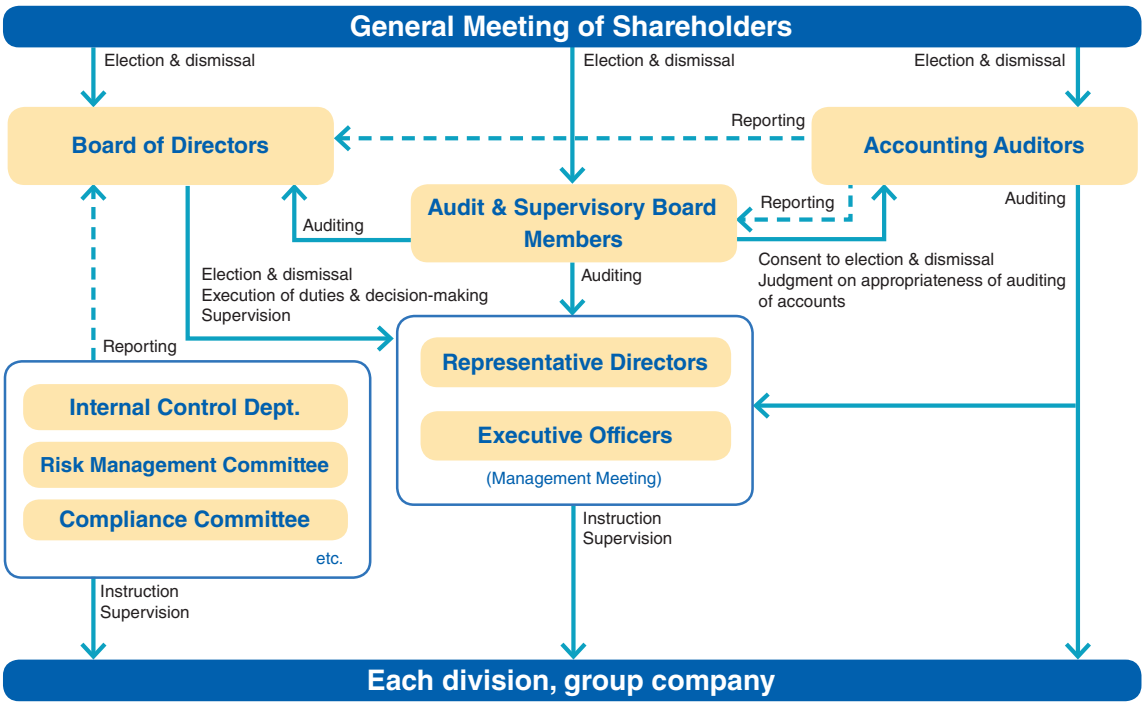
We will strictly comply with laws and corporate ethics and continue to take up the challenge of achieving future growth

System to fulfill corporate responsibility

Corporate Governance

System of Corporate Governance

In June 2012, we introduced the executive officer system to improve the speed and efficiency of management. We separated the management oversight functions from the business execution functions, positioned the Board of Directors as the institution to make management decisions and supervise the execution of duties, separating these functions from the business execution functions. The Company operates a system under which management decisions are made with sufficient deliberation at meetings of the Board of Directors, which are held regularly once a month and attended by nine directors including two outside directors and four audit and supervisory board members including three outside auditors. It also operates a system under which an extraordinary meeting of the board of directors can be convened whenever necessary to deal with any issues. To enhance the audit function, we have in place a system under which we appoint audit assistants to support the auditing duties of audit and supervisory board members. We hold management meetings and business liaison meetings attended by directors, executive officers and full-time auditors to improve the speed and efficiency of execution of duties.



Internal Control

We established Internal Control Basic Rules for the purpose of pursuing efficiency and effectiveness in the business operation of the Furukawa Battery Group, compliance with relevant laws and ordinances, ensuring the reliability of financial reporting, seeking to preserve assets, and helping maintain and enhance corporate value.

We also established institutions such as the Internal Control Department., the Risk Management Committee and the Compliance Committee for the same purpose, and are working to put internal controls in place.

Basic Policy on the Elimination of Antisocial Forces

Furukawa Electric Co., Ltd. has set forth the *Furukawa Electric Group CSR Code of Conduct* as a code of conduct for its group companies. This code clearly specifies that Group companies should adopt a resolute approach to antisocial forces.

Furukawa Battery's Board of Directors determined that Furukawa Battery shall adopt a resolute approach to any antisocial forces that threaten the safety and order of society, and its Compliance Rules stipulate it as compliance conduct guidelines.

Ensuring compliance of corporate ethics

Fair procurement

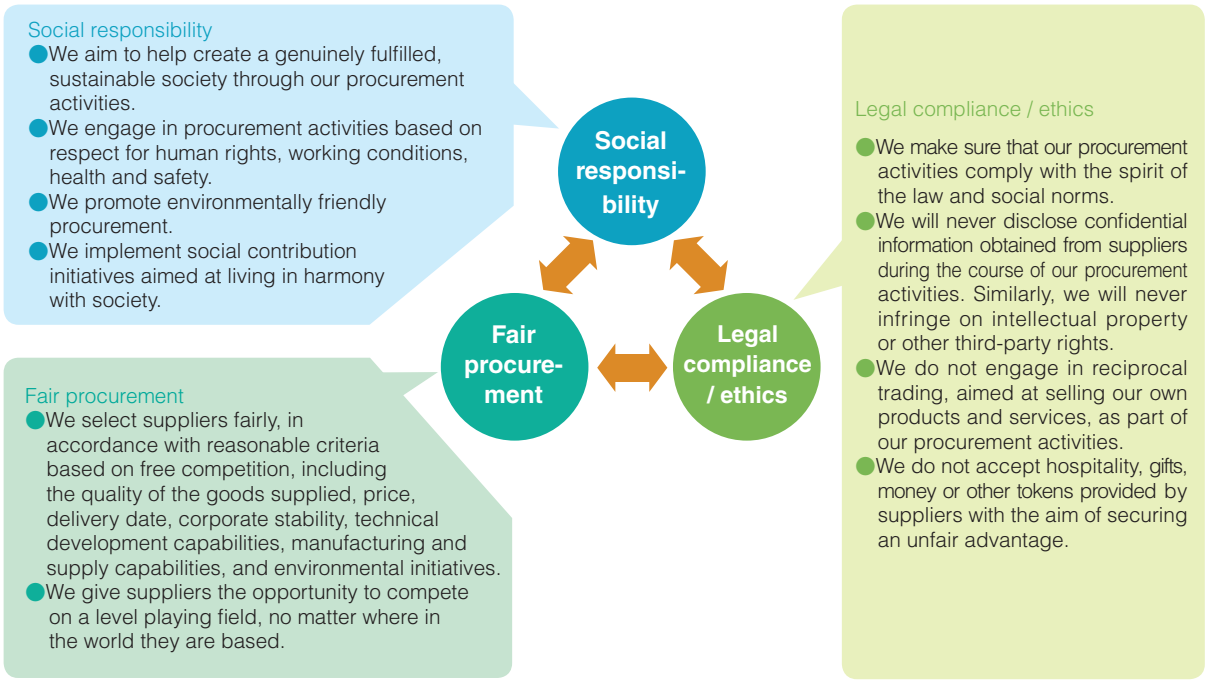
Promoting CSR procurement in cooperation with suppliers

We form strong partnerships with our suppliers and procure raw materials, parts, equipment and other supplies in accordance with the following basic procurement policy, to ensure that both sides develop together in a fair and healthy environment and fulfill their social responsibilities.

Basic policy on CSR procurement

(1) We comply with laws and regulations, and public morals.
(2) We place importance on mutual understanding and a trusting relationships based on good partnerships with all suppliers.
(3) We always deal with all suppliers equally and fairly.
(4) When selecting suppliers or products to be procured, we do so by evaluating the quality of the material, price, reliability of management, technological development capability and environmental considerations, and by following the appropriate procedures.
(5) We sincerely work to meet the requirements of our suppliers and provide them with information required for the deal. At the same time, we strictly manage and keep confidentially any confidential business information that we requested and received from the supplier.

● Procurement guidelines



Green procurement

Acknowledging our responsibility to contribute to the creation a recycling society, we actively promote green procurement, which entails procuring raw materials and components that have a small burden on the environment. In addition to components and semi-finished goods such as modules, the scope of our green procurement policy also strictly prohibits the use of CFCs and substitute CFCs such as that contained in some adhesive tapes and adhesives, not just respect to the content of the components themselves, but also to indirect materials and the manufacturing process.

Also, aiming for thorough procurement control, we submit a green procurement inspection sheet created to our specifications to all suppliers upon receiving delivery of components, etc.

Complying with the Furukawa Electric Group CSR Code of Conduct

One of the Furukawa Battery Group's Management Principles is to "live up to the expectation and trust invested in us by society, with fairness and integrity." To put that into practice, our Group Credo states that each and every one of our employees and executives must "maintain high ethical standards, and value honesty and integrity above all."

To enable us to carry out corporate activities in accordance with those ideals, we have set out and comply with the Furukawa Electric Group CSR Code of Conduct, as a set of basic guidelines telling employees and executives how they should behave from the standpoint of corporate social responsibility (CSR).

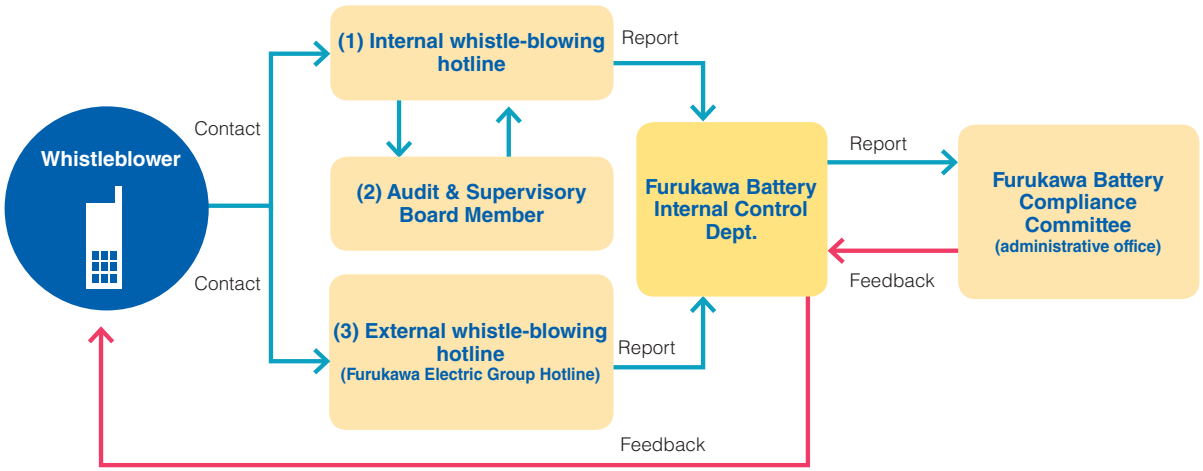
We conduct follow-up activities on a regular basis, by asking all employees to review their performance based on the "Furukawa Electric Group CSR Code of Conduct" each year, and then giving them the opportunity to discuss the results with their head of department. We are committed to working as a team here at the Furukawa Battery Group, so that we can create open workplaces based on a constant awareness of compliance, and ensure that each and every one of our employees is living up to the serious expectations of our stakeholders.

Establishing a whistle-blowing contact system

In an effort to prevent compliance violations, we have established a system that enables employees and executives to report violations, or suspected violations, within Furukawa Battery or any group company directly to the Compliance Committee.

We offer three separate points of contact; (1) an internal whistle-blowing hotline, (2) anonymous contact with a full-time Audit & Supervisory Board Member, or (3) an external whistle-blowing hotline enabling employees to report violations anonymously (Furukawa Electric Group Hotline).

Information from all three sources is then collected by the Compliance Committee's administrative office, enabling us to respond to incidents as soon as they are reported, whilst also taking sufficient care to protect the whistleblower.



Information security system

We have set out a basic information security policy for the Furukawa Battery Group to ensure that all information is managed and used in an appropriate manner, as a key requirement in terms of fulfilling our social responsibilities. We have also established an information security management system and formulated an information security risk management plan, so that we can actively implement information security measures in line with social changes.

Holding copyright seminars

According to a compliance awareness survey that we conducted in fiscal 2012, employees throughout the Furukawa Battery Group had a low awareness concerning "copyright." This prompted us to deepen knowledge on this subject by inviting lecturers from the JRRC (Japan Reproduction Rights Center) to give copyright seminars on July 10 and August 2, 2013.

By using a teleconferencing system to connect branch and sales offices, a total of four seminars over the two days were given to the audiences of 530 employees. We also recorded the seminar on DVD and distributed copies to branch and sales offices that were unable to attend the seminar. As a result of these efforts, we effectively raised awareness about copyright.

We plan to hold more of such seminars in the future as part of our efforts to promote compliance.

The copyright seminar

Participating in industry shows

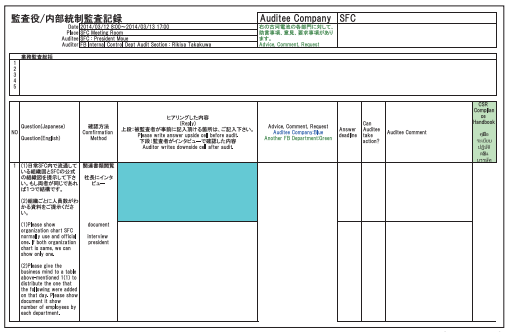
From February 26 to 28, 2014, we took part in the International Rechargeable Battery Expo (Battery Japan) at Tokyo Big Sight. Based on the concept of "proposing the effective utilization of lead-acid batteries and power sources for the industrial and automotive markets (Viva the lead-acid battery! Introducing the new UltraBattery products)," and we strove to promote our research and development into our company's storage battery technology to the large number of visitors.

Our booth at the exhibition

Raising awareness regarding compliance (compliance promotion activities through audits)

Although compliance is a normal part of our business activities, there are differences of legal interpretation depending on departments and there are some parts that are not given attention. To improve the status of issues such as these, when conducting audits of business processes, we adjust these audits so that as many employees as possible are asked to participate in the compliance promotion. We plan our audits based on policies that factor in the site, the on-site goods and materials, and the current circumstances and strive to enhance and improve the content of such audits.

In fiscal 2013, we conducted audits that focused on the following points: (1) harassment, (2) fair trading, (3) management of appropriate working hours, (4) copyright law, (5) expenses, (6) managing accounts receivable, and (7) cash voucher management.



Audit planning sheet (Excerpt)

When audits addressed details of particular importance, we not only gave spoken instructions during the audit but also supplemented this by handing out picture cards showing easy-to-understand reasons for obeying the audit items. In this way, while listening to issues and opinions regarding the on-site situation, we strove to improve awareness about compliance by engaging in group-wide activities that the internal control division was charged with promoting.

VOICE

Internal control division spokesperson

When "compliance" first comes up in a conversation, listeners tend to think of it as a difficult-to-picture concept and do not consider how it relates to their own duties. But compliance is directly connected with our duties, and in most cases, "awareness" of this will ensure they comply as required. To ensure this awareness, we create picture cards showing cases that actually occur on-site and use them as seminar materials.

Compliance education by picture cards

An employee's handmade picture card

While strengthening ties with local communities we work to preserve the global environment

Contributions to the global environment

Outline of our environmental policy

Our production facilities are located in beautiful natural surroundings in Fukushima and Tochigi prefectures. As well as complying with environmental legislation and agreements with the local authorities, we also carry out environmental preservation activities focusing on the following key points.

Harnessing storage battery technology to promote environmentally friendly, efficient energy use

1. Saving energy to prevent global warming
2. Reducing waste and promoting recycling to make effective use of resources and minimize environmental impact
3. Promoting the effective use and recycling of key raw materials (lead, sulfuric acid and caustic soda) in order to conserve resources and protect the environment
4. Developing products with fewer environmental contaminants in order to minimize environmental impact

INPUT

Supplies/raw materials*1

Metals	35,300 t
Chemicals	9,400 t

Water

Tap water	76,707 t
Industrial water	189,351 t
Groundwater	289,591 t

Energy

Electricity (purchased power)	62,132.2 MWh
LPG	2,241.4 t
Bunker A oil	109.2 kl
Kerosene	72.8 kl
Light oil	7.2 kl
Gasoline	44.9 kl

Chemicals*2

Volume handled	196.6 t

Manufac-turing

OUTPUT

Waste

Total waste	573.5 t
Sent to landfill	15.6 t
Recycled	557.9 t

Atmospheric envi-ronmental impact

SOx	0.11 t
NOx	1.39 t
Dust	0.13 t

Greenhouse gases

Power*3	31,521.6 t-CO_2
Fuel	7,405.0 t-CO_2
Total	38,926.5 t-CO_2

Chemicals

Emissions	2.5 t
Transferred	19.8 t

Water

Wastewater	147,657 t
BOD	2.64 t
SS	0.78 t

Products Volume shipped*4

63,000 t

Recycling

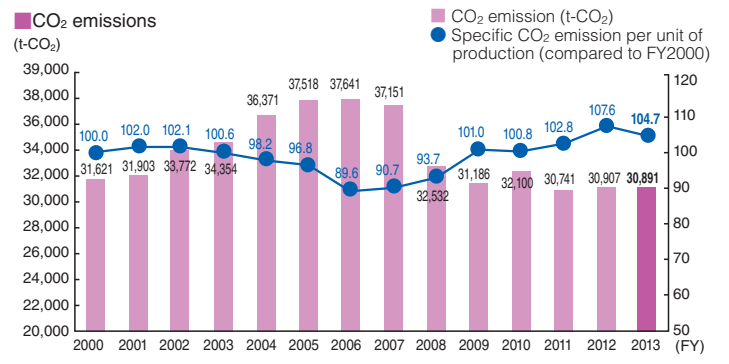
*1: Main raw materials used to manufacture storage batteries
*2: Chemicals specified under the PRTR Act, with the exception of lead, cadmium, nickel and compounds thereof
*3: Power to CO_2 conversion factors are based on annual figures from individual power companies
*4: Estimated volume of products shipped in fiscal 2013

Trends of CO_2 emissions

We reduced CO_2 emissions by 2.3% in fiscal 2013, which was on par with the levels in fiscal 2000.

Specific CO_2 emissions per unit of production of lead-acid storage batteries increased by 4.7% compared to fiscal 2000.

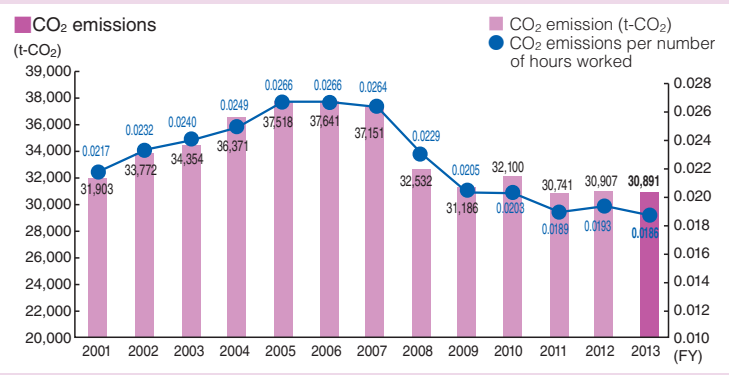
* The above figures are based on a power to CO_2 conversion factor of 0.378 (kg-CO_2/kWh), to enable comparison between fiscal years.



[Reference] Specific CO_2 emissions per number of hours worked

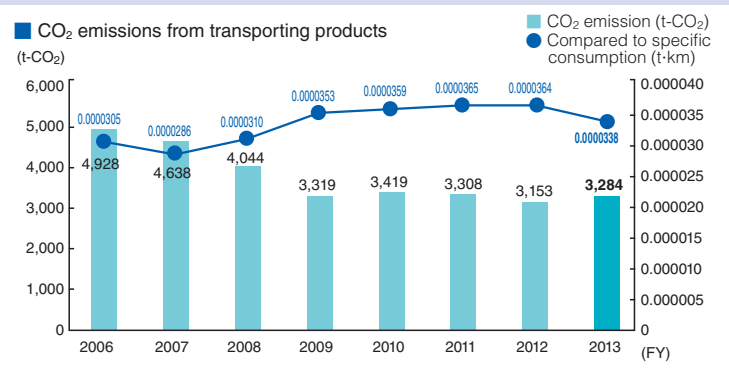
Although we have always measured emissions per unit of production, we are looking for a more suitable unit to use, in light of increased energy consumption and personnel in non-production divisions. As part of a new trial, we have been monitoring CO_2 emissions per number of hours worked by our employees since fiscal 2009, as outlined on the right.

* The above figures are based on a power to CO_2 conversion factor of 0.378 (kg-CO_2/kWh), to enable comparison between fiscal years.



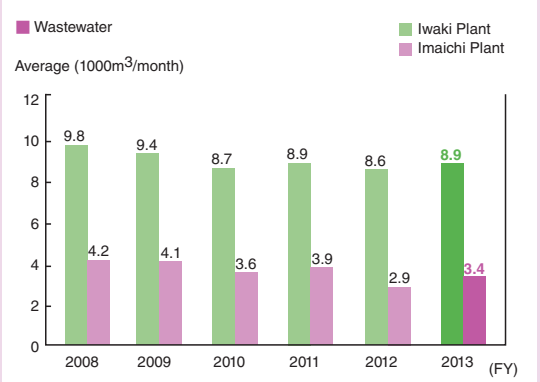
Improving transport efficiency

Although we reduced CO_2 emissions by approximately 33% in fiscal 2013, compared to fiscal 2006, specific emissions increased by approximately 11% per unit (compared to fiscal 2006). Emissions have remained level since fiscal 2009. We are nonetheless determined to keep on increasing transport efficiency in the future.



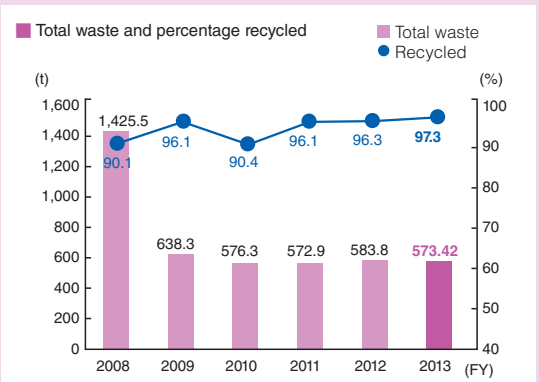
Wastewater

Wastewater levels at all sites were maintained within figures agreed with the relevant local authorities. We also maintained minimum wastewater levels at all sites.



Waste

We recycled 97.3% of all waste in fiscal 2013. We are committed to recycling and will continue to reduce the volume of waste we generate in the future.



Environmentally friendly initiatives at the departmental level

We can achieve greater results in terms of environmental friendliness by bringing together detailed initiatives in each department. This section lists a number of example initiatives carried out by individual departments in fiscal 2013.

Site	Category	Initiatives		Department responsible
Imaichi Plants	Environment	Recycling wastewater		Production Technology & Engineering Department
		Improving yield	(1) Reducing waste lead (increasing recovery and recycling rates, reducing waste generated, improve takt times)	
			(2) Reducing excess lead (modifying molds, reviewing variation management)	
		Reducing defects, improving process operating rates		Production Technology & Engineering Department/Production Department
		Reducing wastewater (increasing processing recycling, reducing usage, preventing and controlling leaks)		Production Technology & Engineering Department/ Equipment Department
		Improving processing costs (improving productivity)		
		Saving energy by switching to LED, and installing human detection sensors and individual switches		Equipment Department
		Developing high efficiency switching units		Power Source Production Department
		Developing and expanding products subject to RoHS		
		Increasing usage of lead-free solder		
		Extending and promoting non-usage of environmentally harmful substances		
		Promoting the use of power saving equipment		
		Requesting and monitoring environmental activities by suppliers		Purchasing Department
		Asking drivers to turn off engines when idling onsite, etc.		
		Combining loads from multiple suppliers, and increasing the efficiency of collection schedules and routes		
		Checking environmental initiatives as part of subcontractor audits		
		Improving the efficiency of power supply systems		
Iwaki Plant	Environment	Waste water volume reduction due to improved process-wastewater recycling technology		Production Technology & Engineering Department
		More transparent monitoring of processes (earlier detection of process errors)		
		Yield improvement activities (reduction of waste lead and renewal of inspection technology)		
		Reducing defects, improving process operating rates		Production Technology & Engineering Department/ Production Department
		Preparing mass production for new products		
		Trial of a storage battery system and installing 20 kW solar panels at the Iwaki Plant		UB Business Department
		Development of vehicle-loaded mobile power source (commercialization of UB50-12UltraBattery)		
		UltraBattery adopted by new-car manufacturers (Launched in November 2013)		
		Creation of 4 product series for commercial UltraBattery		
		Commercialization of battery for Shinkansen trains		Alkaline Battery Department
		Reduction and effective re-use of process waste liquid		
		Developing and trial of smart grid lithium ion batteries and storage battery systems		Development Department
		Development of magnesium-air battery		
		Energy saving activities by converting to LED lighting		Equipment Department
		Installation and start of operation of 100kW solar panels		
	Community Involvement and Development	Conducting joint research with Iwaki Meisei University		UB Business Department
		Conducting joint research with Fukushima National College of Technology		
		Conducting joint trials with Iwaki Photovoltaic Power Plant business union and Iwaki Meisei University		
		Cooperation with verification research provided by College of Engineering, Nihon University (Koriyama)		
		Lithium-ion battery	METI's Technology development for power storage complex systems (Kitakyushu)	Development Department
			METI's demonstration of next generation energy and social systems project (Keihanna)	
		Magnesium-air battery	Kyushu Bureau of METI Strategic infrastructural technology advanced support project (SAPOIN project)	
			JST Center for Revitalization Promotion support program to optimize research results	

Emissions and transfers of substances subject to PRTR Act

The following figures were taken in fiscal 2013 in accordance with the PRTR Act (Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof). We will continue to work on reducing emissions in the future.

Facility	Chemical	Total emissions (kg/year)	Total transferred (kg/year)
Iwaki Plant	Antimony and compounds	0.0	13.1
	Cadmium	1.3	7,762.8
	Ferric chloride	0.0	0.0
	Cobalt and compounds	0.4	323.3
	Lead compounds	4.9	3,069.3
	Nickel	2.6	1,941.7
	Nickel compounds	8.2	6,159.9
	Arsenic and inorganic compounds	0.0	1.2

Facility	Chemical	Total emissions (kg/year)	Total transferred
Imaichi Plant	Antimony and compounds	1.3	0.0
	Ferric chloride	0.0	0.0
	Toluene	2,322.8	0.0
	Lead compounds	188.2	485.8
	Arsenic and inorganic compounds	0.1	0.0
	Methylnaphthalene	6.9	0.0

* Emissions: Substances emitted into the air or public waters
Transferred: Subcontracted waste treatment

Environmental accounting

Environmental preservation costs for fiscal 2013

(Unit: Thousand yen)

Category		Details	Investment	Costs
Business area costs	Preventing pollution	Costs relating to the prevention of air pollution and water contamination	83,672	147,081
	Preserving the global environment	Costs relating to saving energy	69,585	12,393
	Recycling resources	Costs relating to waste disposal	20	40,220
Upstream/downstream costs		Costs relating to environmental preservation, aimed at minimizing environmental impact associated with our main business activities, at the procurement stages or after products have been shipped	5	100
Management activity costs		Costs relating to the maintenance of environmental management systems, environmental education for employees, and tree-planting activities onsite and in the local area	39	8,082
R&D costs		Costs relating to research and development, including products that help to preserve the environment	600	300
Social activity costs		Costs relating to off-site environmental improvement measures, including protecting the natural environment, planting trees, making areas more beautiful and preserving the landscape	1,800	100
Environmental remediation costs		Costs relating to the restoration of the natural environment	0	0
		Total	155,721	208,276

* Investment: Capital investment during fiscal 2013
Costs: Includes the cost of maintaining and managing equipment used as part of environmental measures, related personnel costs and depreciation

Managing chemicals contained in our products

Our company's environment promotion department and materials department have been visiting major raw material manufacturers to hold discussions and information exchange on process confirmation procedures and hazardous substances contained in products.

We are cooperating in the confirmation and auditing activities performed by our customers concerning the status of control of hazardous substances in products. We are committed to effectively managing hazardous chemicals contained in all of our products.

We also manage chemicals contained in our products and provide information in accordance with legislation such as the Waste Electrical and Electronic Equipment (WEEE) Directive and the Restriction of Hazardous Substances (RoHS) Directive, particularly in Europe.

Article 6, Paragraph 1 of the WEEE Directive (2002/96/EC) requires companies to remove and separately dispose of any materials that could potentially have a negative impact on the environment from collected electrical or electronic equipment, before proceeding with any further treatment.

As batteries are included in the list of relevant materials, as specified in Annex II, this means that the disposal of batteries once they have been removed is subject to the Battery Directive.

The revised RoHS Directive (2011/65/EU) meanwhile clearly states that the Battery Directive takes precedence. The following is extract is from Paragraph (14) of the preamble.

> (14) This Directive should apply without prejudice to Union legislation on safety and health requirements and specific Union waste management legislation, in particular Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators and Regulation (EC) No 850/2004.

Batteries are also exempted from the RoHS Directive under Paragraph (29) of the preamble to the new Battery Directive (2006/66/EC) issued on September 26, 2006, as stated below.

> (29) Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003 on the restriction of the use of certain hazardous substances in electrical and electronic equipment does not apply to batteries and accumulators used in electrical and electronic equipment.

With this mind, we make every effort to provide information on the basis that batteries are not subject to the RoHS Directive.

The Battery Association of Japan (BAJ) has published a paper setting out a similar position on its website.

http://www.baj.or.jp/e/recycle/recycle09.html

The measure and achievement about "Smart Grid" and "Smart Community" for Furukawa Battery

We are promoting the development of cutting-edge,next-generation batteries for industrial use that serve to absorb fluctuations in electric power output and demand by leveling out electric power loads and storing renewable energy. We are also participating in demonstration trials through full-scale smart grid and smart community projects. This report reflects some of these achievements.

●The first of these achievements we report concerns the Japan-U.S. New Mexico Smart Grid Collaborative Demonstration Project that were commissioned by New Energy and Industrial Technology Development Organization (NEDO). In one of these projects, Smart Building Demonstration in Albuquerque we evaluated various performance characteristics of the FCP-500, a lead-acid battery we developed, and in trial operation we confirmed that it adequately performs independent operation and energy absorption with PV power fluctuations.

During this trial, which ran for about two years, we were able to confirm that the FCP-500 lead-acid battery demonstrated a high capacity retention and charging/discharging efficiency, and that it performed adequately for smart grid application.

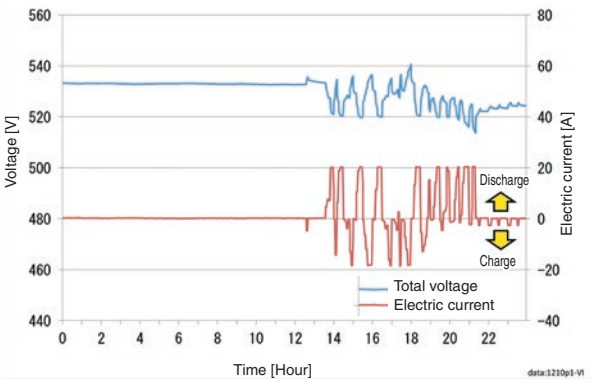
Lead-acid batteries

●The second achievement also relates to a project by NEDO concerning R&D of Practical and integrated Energy storage systems for smart community. In this project, we have been developing and running trials on next-generation lead-acid batteries (stationary UltraBattery) and next-generation lithium ion batteries that will be used for the trials in The Kitakyushu Smart Community Project being conducted in City of Kitakyushu, Fukuoka Prefecture and and The Keihanna Eco City Next-generation Energy and Social Systems Demonstration Project being conducted in Kansai Science City, which are part of the Ministry of Economy, Trade and Industry's (METI) "Next-Generation Energy and Social Systems Demonstration Project." The project is a continuation of an auxiliary project of NEPC (New Energy Promotion Council) that started in fiscal 2011.

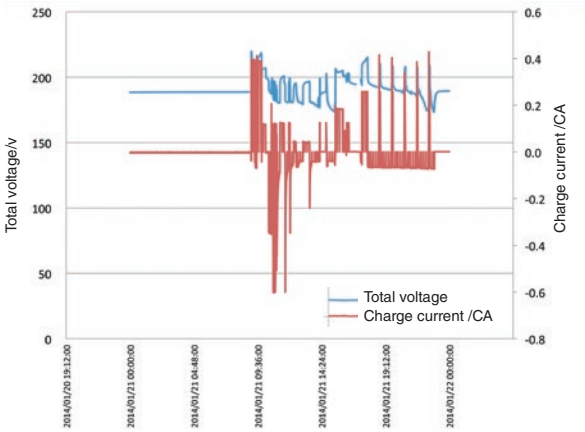
In bench testing with trials conducted in demonstration projects up till now, the next-generation lead-acid batteries and the next-generation lithium-ion batteries possessed adequate performance as a battery system linked up to a CEMS (community energy management system) or BEMS (building energy management system), demonstrating service lives of 10 years and 15 years, respectively.

Next-generation lead-acid batteries

・Trial results of next-generation lithium-ion battery



・Trial results of next-generation lead-acid battery



FCP series and UltraBattery for industrial use have already been commercialized. We are now preparing for the commercialization of the next-generation lithium-ion battery. We expect these batteries will contribute to an environmentally friendly society.

Employment expansion and new factory construction through the "Ganbarou Fukushima" restoration support project

We are introducing new production equipment and constructing factory buildings using the "Fukushima Business Investment Subsidy for Revitalization of Industries" and the "Subsidy for Domestic Location Promotion Projects,"which were provided as a support system for companies to promote restoration and revitalization in Fukushima Prefecture that suffered widespread damage from the Great East Japan Earthquake and the Nuclear Power Disaster.

In August 2013, we completed construction of a new recharging factory for automotive batteries and held the completion ceremony on August 23. We installed south-facing solar photovoltaic panels with a power generation capacity of about 100 kW. On clear-sky days, the power generated from the solar panels covers part of the power used by the factory. At Iwaki Plant, we plan to install solar panels on other factory roofs as well.

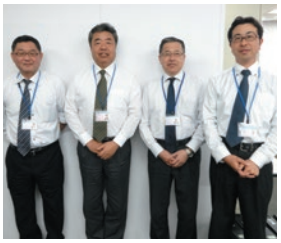
Exterior of new recharging factory and solar panels (Picture by Iwate Sky Imaging)

We plan to review our domestic production system with the aim of incrementally consolidating production of automotive batteries to a single location at Iwaki Plant (Fukushima Prefecture). We are also planning to expand the number of new local employees and contribute to the revitalization through business activity.

Improving transportation efficiency

The year before last, we newly established the logistics department with the aim of utilizing transportation industry knowledge. Our four-member team are enthusiastically studying safe and reliable transportation for products to find more efficient transportation methods.

Considering the fundamental principle that transportation costs are incurred when goods are transported, putting effort into improving the carry efficiency of freight shipments by increasing 1 unit orders from customers to 2 units or 10 units, we can expect to lower the per-unit cost and reduce transportation costs. To do this, however, we need to ensure a mutual trusting relationship with customers so that we can gain the necessary understanding and cooperation to make these cost reductions a reality.



Logistics team recognized as a department

Letter of department recognition

We are taking such measures to prevent being hurt by transportation fee rises which transport operators are demanding because of the rising cost of diesel fuel, a serious driver shortage and improvements to driver working conditions. This fiscal year we withdrew from our Utsunomiya warehouse, which was our logistics base for repairs, and stopped operations of the warehouses of Toyota and Hamamatsu Distribution Centers, which our company owns, and were able to move these operations to suburban third-party warehouses to obtain a more efficient method of transportation and reduce logistics costs.

We expect to achieve more efficient logistics and transportation in the future in conjunction with establishment of Iwaki location as the mother plant for our automotive operations.

Education programs

Believing it is our mission as a storage battery manufacturer to develop human resources who can effectively utilize future energy, we have established education programs and provide ongoing support for the education of students and children who represent the next generation. Our Technology and Development Department played host to first-graders from Fukushima Prefecture Iwaki Senior High School, who visited the Iwaki Plant in December 2013 for their comprehensive study period. The students of the designated Super Science High School (SSH) were given a lesson with the theme "Importance of study on batteries at Furukawa Batteries Co, Ltd." and a tour of the reasearch and development building.

Environmental education class

Touring the facilities

The environment promotion department started an ongoing program in fiscal 2012 to visit elementary schools and hold environmental classes to raise awareness about storage batteries being central to future energy measures. In fiscal 2013, we worked with the Fukushima Prefecture Iwaki City Education Committee to hold classes in three elementary schools in the city. A total of about 150 5th and 6th grade students attended our classes about future energy use and global environmental problems, mainly focusing on storage batteries. During the lesson, we showed the students various batteries and arranged a talk on "ways we will be able to use renewable energy in the future" and "global warming." We also gave them a feel of the shape of future energy through a practical workshop using a mini wind-power generator kit and an educational DVD. Since the program started two years ago, we have visited 5 schools and taught 270 students. In fiscal 2014, our third year of the program, we will enhance and refresh the class content and work flexibly to meet the needs of the schools.

Through educational support activities such as these, we will continue to proactively provide learning opportunities to as many students and children as possible.

Contributions to local communities

Demonstration of "Vehicle-Loaded Mobile Power Supply" at Nikko City Hall

On December 4, 2013, in cooperation with Nikko City Hall, we provided an on-site demonstration at their office of the "Vehicle-Loaded Mobile Power Supply" under development. For the demonstration, we supposed a power failure caused by a disaster and used electricity created from battery energy to actually boil water and distribute hot drinks, in addition to making heat with an electric heater and turning on a TV. The many people participating in the demonstration got hands-on experience of "electricity in a time of need." For us as well, the demonstration was an opportunity to learn the valuable opinions from the perspective of users such as local government officers who must respond in times of emergency. Such feedback helps our ongoing development of the "Vehicle-Loaded Mobile Power Supply."

Looking forward, we will create further opportunities such as demonstration activities and conversations with the people of local communities so that we can create better products that contribute to local communities.

Demonstrating the Vehicle-Loaded Mobile Power Supply

Factory tour at Imaichi Plant

At Imaichi Plant, we proactively encourage students and children to take a factory tour. This year, we were asked by Tochigi Prefecture Nasu Seihou Senior High School to host a "workplace tour as part of comprehensive studies aimed at raising career path and vocational awareness" and their students toured our factory in December 2013.

As a storage battery manufacturer, we welcome the chance to broaden the minds of our younger generation so that they may be active in energy utilization in the future, and as a company with a base in Tochigi Prefecture, we wish to continue supporting students and children who represent the next generation.

Explanation before the factory tour

Sending a positive message from Tochigi to the rest of Japan! Co-sponsoring Eco-Mori Fair 2013

Every year at our Imaichi Plant, we co-sponsor Eco-Mori Fair, an event organized by Tochigi Prefecture with the aim of raising awareness regarding environmental preservation and forestation.

AED training seminar

We held an AED training seminar at Head Office in October 30, 2013. We asked members of the fire department to attend and learned basic CPR techniques and how to use the AED. We practiced on special training manikins and enhanced our awareness of rescue activities that we ourselves can perform.

At the seminar on life-saving first-aid techniques

Cooperating in blood donation activities

We have been conducting blood donation activities at Iwaki Plant since 1993. As of January 2014, we had been cooperating in blood donation activities for 22 years and about 750 people cumulatively have cooperated in blood donation activities. In July 2013, we received a Letter of Appreciation from the Ministry of Health, Labour and Welfare at the 49th National Conference of the National Promotion of Blood Donation Program.

Award ceremony

Award

2013 World Econo Move Grand Prix

Overview of the event at Ogata Village

The 2nd Round of the 2013 World Econo Grand Prix was held from Saturday, May 4 to Sunday, May 5, 2013 at Ogata Village Solar Sports Line in Akita Prefecture. The 2013 World Econo Move is a competition for low-energy electric vehicles that compete for the furthest distance in 2 hours, each using the same capacity lead-acid battery (Furukawa Battery's FTX4L-BS x 4) energy source (approx. 100 Wh) that is supplied by the competition organizer. The circuit course of approx. 6 km is adorned with blooming cherry blossom and rapeseed blossom.

The participating teams are corporations including automotive industry manufacturers and universities in the open class, and technical colleges and senior high schools in the junior class. The top-class record for this competition (set in 2010) exceeds 90.0 km in 2 hours, and using the competition's energy conversion, this is an energy amount of 3.3 Japanese yen.

Race starting ceremony

Scene of the final race

The World Econo Move hosted by Akita Prefecture's Ogata Village first started in 1995 as the world's first "Electric Vehicle Low-Energy Race." It was the 19th time the event was held, but impact from the Great East Japan Earthquake still remains and the number of entry vehicles was limited to 54 vehicles.

Furukawa Battery President, Katsutoshi Tokuyama, attended the event and expressed his wish that the many future engineers present would become active as the challengers in this field.

World Econo Move Grand Prix

Electric vehicle low-energy races are conducted at various locations, and a total of 5 Rounds were held in 2013. Each competition sets its points, and the Grand Prix Ceremony is held at Tokai University's Yoyogi Campus as part of a seminar on making electric vehicles such as solar cars. The automotive industry manufacturer teams earned 1st to 6th positions and after that came the student teams.

Upcoming 2014 competition

Both the World Econo Move (Akita Prefecture's Ogata Village), and the Electric Vehicle Eco Run Tournament (Sugo, Miyagi Prefecture) are in their 20th year. For both competitions, the current champion team record is at least twice as far as the initial year. We expect the record to be broken again this year.

Sponsoring various sports

We support the ice-hockey team the Nikko Icebucks to promote local community sports.

We are also a sponsor partner of the "Waku Waku Dream Seats" and invite people from local elementary schools and care homes to watch matches and cheer the team. By coming and watching the Icebucks play, the spectators become enthralled and develop dreams of becoming a future ice hockey player themselves.

Also as a sponsor of football, we promote vitality in the local community as an official partner of Tochigi Soccer Club, we are also assisting sponsor of Japan Professional Football League Jef United Ichihara Chiba.

Ice hockey


Football

Sponsor of the 2013 Yokohama ITU World Triathlon

We sponsored the 2013 Yokohama ITU World Triathlon that was held between May 11 and 12, 2013 to support the vitality of sports in Yokohama, where Head Office is located. At the competition venue, we helped set up a support booth for the Great East Japan Restoration and our employees worked as volunteers, helping with sales.


Event volunteer participants


Starting scene
Satoshi Takasaki/JTU


Rain-boot Ice Hockey group photo

Rain-boot Ice Hockey group

In November 2013, "Rain-boot ice hockey" group of FURUKAWA BATTERY CO, LTD. was visited by the TV show "Burari Tochu Gesha no Tabi" with TV talent Yosuke Tagawa and appeared on TV. On the day, players' family members came to cheer, mingling with the participants. This is the commemorative photo of the event.


Group photo of the marathon participants

Participant's voice

Participating in the Yokohama Marathon

I decided to participate in the event as I have been running since last year to maintain my daily health. My participation in this year's Yokohama Marathon was my first ever competition. The weather was perfect on the day. With my colleagues, I enjoyed running at the places well-known in Yokohama such as Yamashita Park and Honmoku. Participating in the Yokohama Marathon is also a perfect goal for ordinary runners, and I am looking forward to running it again next year.

FOR QUALITY

To be a company trusted for high quality

We strive to provide "quality that is trusted" to meet the needs of customers and society

Quality improvement initiatives

Improving quality standards

Examples of quality initiatives

•Mutual auditing between departments

As a one measure to reduce quality failure, our Quality Assurance Division and Manufacturing Division conduct workplace audits by having the Automobile Battery Division and the Industrial Battery Division mutually visiting each other's workplaces to verify corrective and preventive measures have been taken regarding prior incidents of failure. The audit was implemented over 10 days and a total of 194 items were audited. The aim of the mutual auditing is for divisions to extract "suspect" phenomenon that they do not understand and mutually exchange opinions between the divisions.

Mutual auditing between departments

•QC circle competition

We held the 2013 companywide QC circle competition at Iwaki Plant. At the competition, 7 circles that came out on top in each block competition and 6 circles invited from affiliates and other companies, provided presentations. During the review after the award ceremony, our president gave a motivating speech saying, "Listening to todays discussions, I get the impression that the level of each circle is rising each year. Let's strive hard a challenges for the next one year period." Through our QC circle activities, we are striving to improve the quality of our products and the quality of our sales.

*QC circle…QC is an abbreviation for Quality Control. The circle refers to the activity of groups formed at the same workplace to improve quality.

At the award ceremony

Connecting with the stakeholders who use our products

As we always put the customer first, we strive to provide products and services that will keep our customers satisfied. Part of our slogan is "services that guarantee satisfaction" and "reliable quality." With that in mind, we work as a team to maintain and improve quality standards to the satisfaction of our customers, and are committed to developing new products in order to contribute to society.

We take measures on quality assurance by ensuring each division, including Research and Development, Production Technology, Purchasing, and Sales each fulfills their respective responsibilities. To get customers to appreciate our technical development capabilities and the features of our products, so that we can build long lasting, strong trusting relationships, we publish a technical research journal called *FB Technical News*. This is just one of the ways in which we actively and continuously provide information, along with exhibitions, product catalogs and our website.

Product safety information

We release safety information for the products we manufacture on our website as a chemical substance safety data sheet (SDS).

We comply with Globally Harmonized System (GHS), and the JIS Z7253, in relation to chemical classification and labeling.

We also create and provide SDS for our storage battery products to meet customer requests.

* (From MSDS to SDS)
In Japan, SDS was commonly referred to as "MSDS (Material Safety Data Sheet) till 2011. MSDS was changed to SDS to unify it with the definition given in GHS. It is referred to as SDS even in JIS Z7253, which was developed as a common platform for information transmission based on GHS.

Management

National tour of fiscal 2014 automotive battery seminar

In fiscal 2013, in conjunction with the launch of ECHNO IS UltraBattery, our Sales Engineering Section conducted seminars on automotive batteries in 60 locations across Japan, targeting dealers and sales offices. The seminars explained about the UltraBattery product, basic knowledge of training of battery, etc., giving particular attention to the latest battery technology for auxiliary machinery of vehicles and idle-stop function of vehicles. Changes in function specifications for the latest automotive batteries has led to new innovations in lead-acid batteries used for vehicles with idle-stop functions. As a result, we are providing seminars to explain the remarkable technological improvements that have occurred in the space of a few years. Participants were very interested and listened with enthusiasm.

We held seminars throughout Japan from Kyushu in the south to Hokkaido in the north. Each region has unique characteristics and visiting these regions gave us a real sense of the immense market possibilities that are still out there.

In fiscal 2014, we will start the "Battery Advisor System" as a first for Furukawa Battery. Wishing to provide instruction to our many Furukawa Battery customers, we plan on holding 60 events across Japan throughout the year. As we have just started this system, it is unavoidable that we will have to make some fine-tuning along the way. By providing questionnaires to those people who attend our seminars, we aim to enhance the seminar content and improve our methods of instruction.

During a seminar

Awarded Thailand's "Outstanding Award of Labour Relations and Welfare" for the ninth consecutive year

Recognized for outstanding labor relations and welfare, Siam Furukawa (SFC) received "Outstanding Award of Labour Relations and Welfare" from the Thailand Department of Labour Protection and Welfare for the 9th consecutive year.

We were also awarded the "Outstanding Good Governance Award" from the Thailand Ministry of Commerce in recognition of our sound corporate governance. We will strive to continue outstanding labor relations and sound corporate governance into the future.

At the award ceremony

Awarded CSR-DIW Award from the Department of Industrial Works, Ministry of Industry in Thailand for the 3rd consecutive year

In recognition of efforts in CSR activities, Siam Furukawa (SFC) was awarded the “CSR-DIW Continuous Award” for the 3rd consecutive year.

Also in 2013, we received the "CSR-DIW Advance Award Level 4 2013" as a result of our focus on "Green Culture" such as energy savings in electricity and gas, putting us at level 4 out of a possible 5 levels. We will continue to proactively engage in CSR activities into the future.

Employees who received the award

Award

QC circle[*1] of Siam Furukawa received 3rd place in Group 3 of TCC[*2]-QCC competition

Siam Furukawa (SFC) received third place in Group 3 of the QCC competition for suppliers of Toyota Group Thailand.

Last year, we obtained second place in Group 4, which promoted us to Group 3 in 2013. Of a total of 94 participant companies, we competed against 14 companies in Group 3.

Our theme for fiscal 2013 was "Reducing changeover time for terminals welding machine of assembly line." By improving the mold design to enable easy insertion/removal for terminal molds, it was possible to dramatically reduce the changeover time.

We were promoted to Group 2 for fiscal 2014, and we will challenge a new theme.

Employees who received the award

Trophy

*1 QC circle…QC is an abbreviation for Quality Control. The circle refers to the activity of groups formed at the same workplace to improve quality.
*2 TCC (Toyota Cooperation Club) is a cooperative organization by the Toyota Group in Thailand.

FOR PEOPLE

Motivated employees are our strength

We aim for a constant betterment of workplace environment with our motivated employees

Initiatives to boost human resources

Basic philosophy on human resource development

In addition to the training conducted in fiscal 2013, listed on the right, we also aimed to improve moral values of employees by conducting seminars on harassment for about a one-year period throughout Furukawa Battery and its Group companies.

• Training conducted in fiscal 2013

Training name
Newly appointed manager training
Third-year employee training
Second-year employee training
New employee follow-up training
New employee training

Third-year employee training

Continuity for the future

As stated in our long-term management vision, we will continue to train and foster our human resources by positioning it as our company's most important investment.

Education Office's guiding principles

We established the Education Office's guiding principles based on our company's corporate philosophy: "Drawing on many years of expertise in battery technology, the Furukawa Battery will contribute to the realization of a rich and sustainable society through continuous technological innovation." Specifically, our guiding principle for education is "we are challengers." We provide our employees with the support they need to improve their individual skills, through training courses for instance. We have put in place an educational framework that enables every employee to contribute to the company's growth with a strong desire to take on new challenges and a broad outlook. We improve our training courses every year, to enable employees to acquire the skills they need based on vocational qualifications and recommendations, and continue to raise awareness and motivation with regard to goals and targets.

Employment policy and recruitment activities

We make every effort to provide long-term stable employment, by creating working environments and mechanisms to ensure that employees feel motivated and can do their jobs with confidence. To cope with the employement-related problems due to aging society and dwindling birthrates in Japan, we offer a variety of different working styles every year depending on current conditions, ranging from graduate and mid-career recruitment to disablity employment, reemployment of retired workers, assignment to other Group companies and temporary employment.

Recruitment of new graduates - the leaders of the next generation

As a member of the Furukawa Electric Group, we participate in the Furukawa Electric Group Forum. We also visit individual universities to give presentations on the company and make a concerted effort to secure human resources. We recruit individuals based on their personal qualities, regardless of nationality, and place a particular emphasis on interviews. In fiscal 2013, we conducted factory and dormitory visits at our Imaichi Plant for the prospective graduate employees. We are also accepting short-term and long-term internships as part of our social contribution.

Mid-career recruitment with an emphasis on ability

In an increasingly globalized world, we need human resources with advanced expertise. We recruit individuals with experience and expertise across a wide range of professions.

• Employment figures (As of the end of March 2014)

	Total/Average
Employees	874
Average age	41.5
Average length of service	16.1 years
Graduate recruits (FY2013)	24
Mid-career recruits (FY 2013)	30 (+ 1 transfer)

Support systems for a diverse range of working styles

We respect our employees' individual lifestyle choices and provide a range of support systems to enable them to strike a work-life balance, between their job and their private life.

Accrued leave system

If employees have any days of annual leave remaining at the end of the year, they can carry them over up to 25 days, for a maximum period of five years. They can then use accrued leave if they need to care for or look after a family member, or undergo treatment for personal injury or illness. In fiscal 2013, we enhanced the scope of the system to include self-enhancement leave and volunteer leave.

Continuing employment contract system

If employees wish to continue employment after reaching retirement age (60 years old), they may sign a continued employment contract with the company. Although they have to meet certain conditions from the second year onwards, it is possible for employees to work through to the age of 65. We also organize "silver seminars" for employees who are approaching retirement age, to give them a chance to think about planning their lives after retirement.

Improving support systems

We have introduced a number of systems to help employees caring for children or family members to strike a balance between their job and their care responsibilities, including our childcare and family care leave systems, reduced working hours, and nursing care leave. Although these support systems have all been set out in accordance with the law, we are continuing to explore ways of improving our systems in fiscal 2014, so that we can provide employees with an even more pleasant working environment.

・Summary of support systems

	System	Details
Child care	Childcare leave	・Available to employees with a child aged up to one year old (or up to one year and six months in certain circumstances)
	Reduced working hours	・Option to reduce working hours, providing that the employee still works for six hours a day ・Available for preschool children only
	Child nursing care leave	・Leave to provide nursing care for a sick or injured child (preschool children only, five days a year) Up to ten days a year if there are two or more children
Family care	Family care leave of absence	・Up to one calendar year for each family member requiring care
	Reduced working hours	・Option to reduce working hours, providing that the employee still works for six hours a day ・Up to one calendar year for each family member requiring care
	Family care leave	・Leave to provide care for a family member requiring care (five days a year) ・Up to ten days a year if there are two or more family members requiring care

Childcare leave system User's comments

Yuichi Satoh, Aerospace Technology Group, Alkaline Battery Department, Industrial Equipment Business Division

My first child was born and I became the first male employee to use the childcare leave system at our company. I had reservations about obtaining childcare leave, but as my wife was unable to return to her family home and I had a strong wish to participate in child rearing, I requested childcare leave.

I think our modern industrial society is becoming a society where there is mutual respect of men and women. By not falling into the framework that "childcare is for women only," and participating together in child rearing, I feel that there are less worries and the bond between my wife and I has strengthened.

I am grateful to my superiors and everyone in my workplace as it was their understanding that made this possible.

Disability employment

We aim to create workplaces in which a wide range of human resources can fulfill their potential, and actively employ people with disabilities at our Head Office, Imaichi Plant and Iwaki Plant.

At Imaichi Plant, we are making efforts to expand employment by conducting vocational training for senior secondary students of local special education schools, developing scopes of work that are suitable for the students' capabilities, and hiring students as company employees after graduating from school, according to the students' wishes, and so forth. We even received a letter from one student who participated in work experience and had chosen employment at our company saying, "by working together with employees, I received various advice, and I was able to do the work without worries. I am looking forward to starting work in April." Also, we provide materials to the special education school, so that they can be used as materials in work practice. The students practice packaging work for battery instruction manuals and accessories, and this contributes to improving the students' capabilities.

Loading finished products on pallets

Holding of company-wide forklift competition

We hold a forklift competition every year as a countermeasure to prevent forklift accidents. In fiscal 2013, we held the Iwaki Plant competition and the Imaichi Plant competition in September, and in October, the top five operators of each plant competition took part in a company wide competition held at Iwaki Plant where they competed in safety operation and forklift skills in front of senior managers from the president to union officials.

Group photo of the competition participants

Scene of the competition

The team from Tokyo Office

Tokyo Office

Event at Tokyo Office

To strengthen bonds between employees of affiliate companies and the sales division, members of three departments held a flower-viewing gathering to discuss future business. This event is held each year and is popular among those who have attended. Every year participants admire the famously beautiful cherry blossoms that grow along the Meguro river running past Tokyo Office.

Initiatives to create a better workplace

Company-wide health and safety activities

Each and every one of our employees are working hard to create safe, easy-to-work and comfortable workplaces under the slogan "Put safety first, create comfortable workplace environments and ensure zero accidents."

Every year, we set out a company-wide policy on health and safety activities where we define the key priorities and set targets. Our activities for fiscal 2014 are based on the following policy.

● FY2014 company-wide policy on health and safety activities

1. Basic policy

Build a culture that puts safety above all and create safe, comfortable and pleasant workplaces

2. Key priorities

(1) Eliminate unsafe conduct and equipment
(2) Take steps to control harmful substances
(3) Continue to raise awareness of health and safety standards, and implement structured mechanisms
(4) Maintain and improve employees' health

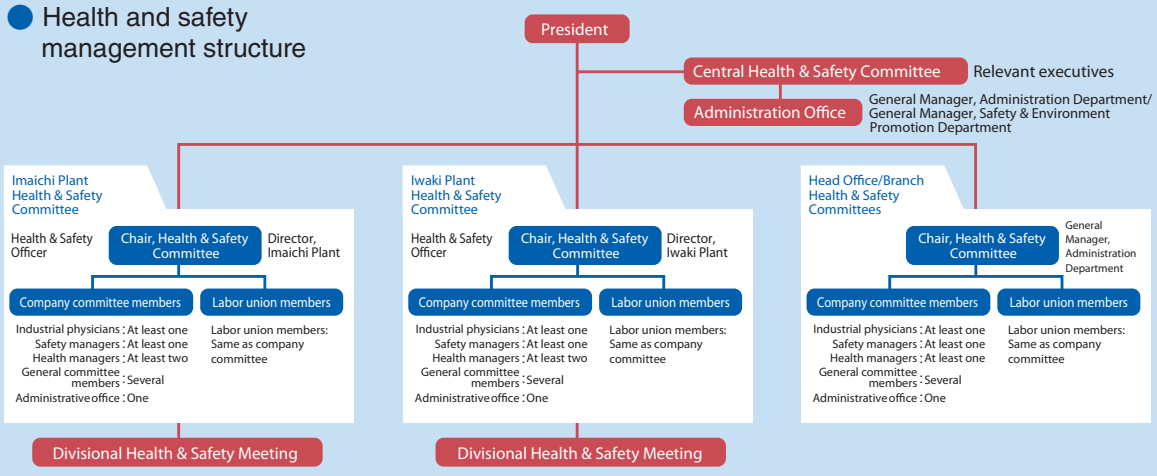
Structurally reinforcing health and safety

Since fiscal 2011, we have been fully operating a labor health and safety management system as a way of reinforcing health and safety measures. Based on the company-wide policy on health and safety activities, each department creates activity plans and while we employ internal audits to confirm the status of operation while promoting improvement, we continue to promote the prevention of workplace accidents and the creation of comfortable workplace environments. As for education, in March 2013, we revised our original health & safety training textbook and conducted training for all employees on this content to ensure strict adherence to health and safety.

Initiatives to achieve zero accidents

We carry out various activities to eliminate workplace accidents. These include carrying out risk assessments in all workplaces for newly introduced equipment, strict procedures to review risk factors of existing equipment and work processes, and getting all employees to submit "near-miss" reports.

● Health and safety management structure



Mutual trust between labor and management

With the exception of managerial staff, retired workers (with continuing employment contracts), and employees on fixed-term contracts, all employees at Furukawa Battery belong to a labor union. Communication between labor and management is crucial in order to facilitate business management, expand the company's operations and improve working conditions. That is why we organize central management briefings twice a year, to provide explanations on subjects such as our business plans and results. We also organize divisional labor-management meetings at the divisional level, to go through monthly profit and loss figures, as well as monthly Labor-Management Subcommittee meetings to resolve issues. Labor-management health and safety patrols meanwhile take place at each of our sites twice a year. We continue to provide opportunities for dialog, so that we can keep on improving mutual trust between labor and management at every level.

Health and safety patrol

Imaichi Plant Health & Safety Office

At the Imaichi Plant, we employ one full-time nurse who works in collaboration with industrial physicians to provide health management of employees. By providing regular health checkups and special health examinations, we are able to communicate with employees on heath issues, offering guidance on improving diets, avoiding lack of exercise and smoking, etc. In recent years, we have been giving priority to measures concerning mental health issues. We make every effort to detect deseases as early as possible, and will continue to provide support to help employees lead healthy lives in the future.

Consultation at Health & Safety Office

Business operator awarded by Nikko City for Supporting Gender Equality

The FB Factory at Imaichi Plant was awarded "2013 Business Supporting Gender Equality" by Nikko City.

This was given in recognition of our efforts to be a company that actively supports work-life balance. The FB Factory was recognized for taking initiatives such as female employees participating in school events and the like; measures for mental care of employees; stress checkups and counseling by industrial physicians; conducting employee training; activities supporting employees' work-life balance; and employee placement based on the right person for the right place that considers employee capabilities and motivation in a non-gender-biased way.

Award ceremony

Certification

Award

Support music activities for employees

Siam Furukawa (SFC) started support of music activities for employees in November 2013. We have made it possible for employees to practice their music during off-duty hours by providing performance space on the second floor of the canteen and leasing various musical instruments.

Currently, about 10 band members regularly get together and practice for concerts. In the middle of this year, the band plans to play at various company events and participate in community activities and the like.

We believe that by supporting such activities, we can be useful to employees and the local community.

Practice by employees

Maintaining relations with the company after retirement

We run the Furukawa Battery OB Society for former employees who have retired. The society holds an annual meeting in October every year, giving members a chance to find out what others are doing, celebrate their longevity and look through the society's financial reports. The annual meeting is followed by a reception, during which members can get to know one another better and get the latest information on the company. Last year, well-attended activities were held in all regions including a drag-net fishing event in Oiso, Kanagawa Prefecture.

FY2013 Furukawa Battery OB Society annual meeting (Imaichi)

Furukawa Battery Voices of employees

VOICE

Undertake the task of coordinating between local operation and Japan

Tsutomu Mikawa
(Administration Coordinating Manager)

I have been working at Siam Furukawa Co., Ltd. (SFC) in Thailand since July 2011. In Japan, I had worked in the Accounting Division since I joined the Furukawa Battery. But, in Thailand, in addition to accounting and internal control, my duties also cover purchasing, human resources and general affairs and some sales as well. The common focus in my current work is to support local employees and to cooperate and coordinate with Japan (Furukawa Battery, its parent company Furukawa Electric, and others). I have many relationship with local employees and so, as I conduct my duties, I am supported by the open friendliness and generosity of the Thai people. Year by year, the workload increases in conjunction with Thailand's economic growth but I wish to work with local employees to keep SFC as it is: a company with a tireless smile.

VOICE

\ Comments from colleagues in the workplace /

Working on construction sites with constant vigilance to safety first

Yuki Nishikawa
(Construction Group, Construction Department, Construction Division)

Yuki Nishikawa is in his third year since joining our company. He works in the construction department. His work is mostly performed not inside the company but at various construction sites. In addition to visiting city buildings and factories, He also occasionally visits facilities such as dams and relay stations. His work involves installation, removal, and operational adjustment of storage batteries, rectifiers and other such equipment. They have to carry out risk-preventive measures and follow installation procedures. While having constant vigilance to safety first, they work hard every day fulfilling the final work process of our company's industrial equipment field.

VOICE

\ Comments from colleagues in the workplace /

Ensuring our equipment is always ready for use

Utena Kasuya
(Construction Group, Construction Department, Construction Division)

Utena Kasuya is in his third year since joining our company. He works mainly in the inspection department like Yuki Nishikawa, He also visits various user sites, where he carries out maintenance and inspection of storage battery equipment. It is a legal requirement that storage battery equipment is inspected regularly. It is also important to do such work to ensure that such equipment is ready to be used whenever disaster or power outage occurs. It is their job to ensure the early detection of faults and propose upgrades, overhauls or repairs. In his daily work, it is his constant motivation to have equipment always ready for use.

Financial Highlights

Five-Year Consolidated Financial Highlights

In the battery industry, rising electricity bills have focused attention on storage batteries – and not just as a source of emergency electricity or as a supply option at times of peak demand for energy. In addition, due to growing awareness of global energy and environmental issues, there are an increasing number of applications for batteries in environmental automobiles. Given this environment, the Furukawa Battery Group is strengthening its activities in the storage battery business. Developing automotive batteries like a capacitor hybrid lead-acid storage battery (UltraBattery®) for environmental vehicles is one measure. Other examples include activities involving environmental businesses like the smart grid and the development of very safe lithium-ion batteries for industrial use.

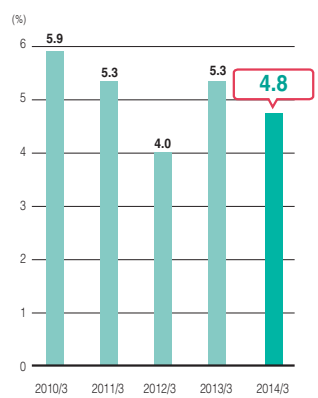
The establishment of new production and sales centers in Indonesia has also furthered the Group's overseas expansion: the INDOMOBIL Group (Salim Group) PT. Central Sole Agency and two joint ventures (PT. Furukawa Indomobil Battery Manufacturing and PT. Furukawa Indomobil Battery Sales).

●The Furukawa Battery Co., Ltd. and its consolidated subsidiaries

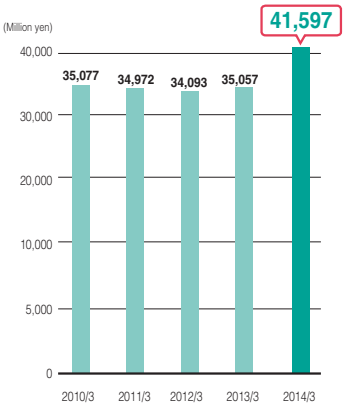
(Fiscal years ended March 31) Unit: Million yen

	FY2010	FY2011	FY2012	FY2013	**FY2014**
Sales	40,206	43,204	42,064	44,380	**49,556**
Operating income	3,437	3,385	2,494	2,731	**2,673**
Ordinary income	3,378	3,364	2,604	2,870	**2,882**
Current net income	2,054	1,843	1,365	1,847	**1,990**
Capital investment	1,368	1,429	1,789	1,896	**5,533**
Depreciation expense	1,640	1,661	1,661	1,705	**1,620**
Research and development expense	978	1,120	1,547	1,518	**1,504**
Cash flow for business operations	3,350	4,652	628	3,606	**3,702**
Cash flow for investment activities	-1,543	-1,717	-1,699	-1,974	**-5,737**
Cash flow for financing activities	-2,017	-2,583	-674	-1,131	**2,246**
Total assets	35,077	34,972	34,093	35,057	**41,597**
Interest-bearing debt	9,511	7,212	6,815	5,992	**8,583**
Equity capital	7,508	9,195	10,170	12,360	**14,558**
Equity capital ratio	21.4%	26.3%	29.8%	35.3%	**35.0%**

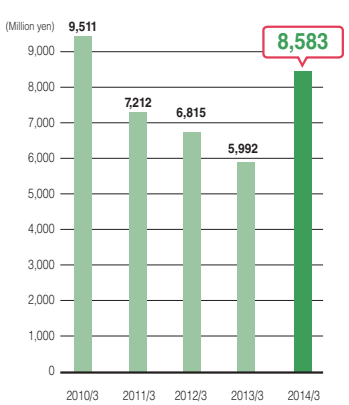
Return on Total Assets (ROA)



Total assets



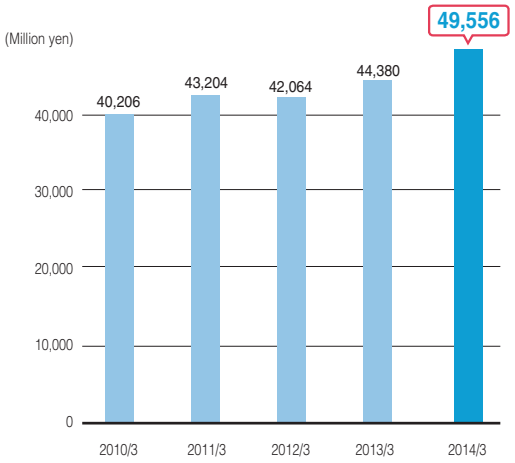
Interest-bearing debt



Sales

49,556 million yen
(11.7% increase)

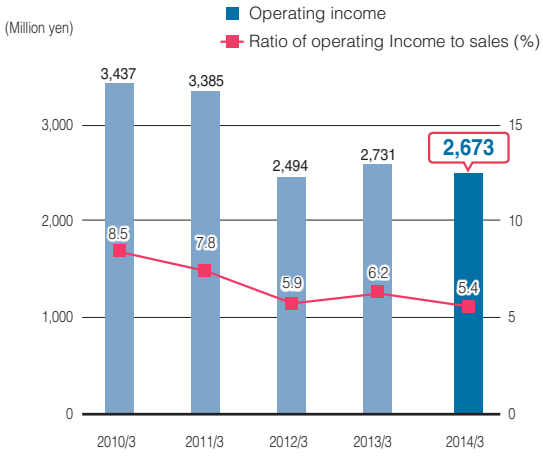
The consolidated sales increased 5,176 million yen, or 11.7%, to 49,556 million yen. There were strong sales, mainly at our overseas subsidiaries, of automobile-use batteries as well of railway and other industrial-use batteries.



Operating Income / Ratio to Sales (%)

2,673 million yen
(2.1% decrease)

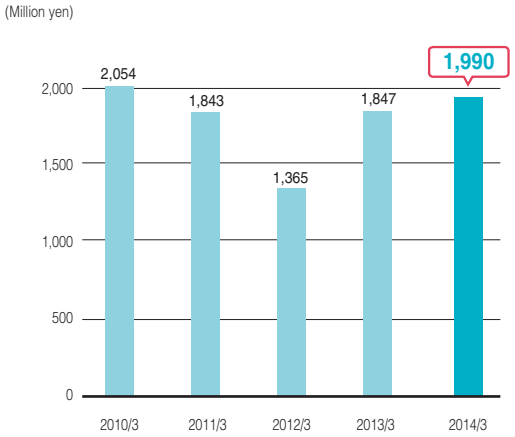
Rising prices for lead, the Group's main raw material, drove up the cost of goods sold and there were increases in promotion and labor expenses as sales increased. As a result, operating income decreased from 2,731 million yen to 2,673 million yen.



Current Net Income

1,990 million yen
(7.7% increase)

Extraordinary losses included a loss of 3 million yen on the disposal of noncurrent assets. After the deduction of taxes, net income was 1,990 million yen compared with 1,847 million yen one year earlier.



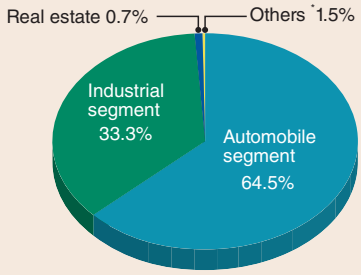
Results in each segment

The headquarters of business operations are at the Furukawa Battery head office and there are separate organizational units to oversee operations for specific products and services. Each unit establishes comprehensive strategies for Japan and other countries for its products and services and performs operations based on these strategies.

Consequently, business segments are based on products and services in accordance with these administrative units. Operations are divided into three reportable segments: automobile, industrial and real estate.

* The "others" category includes insurance and other activities that are not included in the reportable segments. (757 million yen)

Breakdown of Consolidated Sales

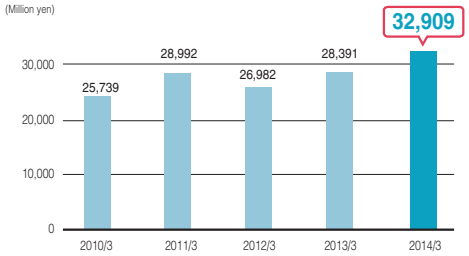


Automobile segment

Manufacture and sale of storage batteries for automobiles and motorcycles

sales **32,909** million yen (15.9% increase)

In the automobile segment, sales increased 4,518 million yen, or 15.9%, to 32,909 million yen and segment income decreased 7 million yen, or 0.6%, to 1,170 million yen. This was mainly due to strong overseas sales of replacement batteries. In Japan, there was a good performance starting in the second half thanks to sales primarily for batteries for new cars but the rise in the price of lead, the main raw material for batteries, drove up the cost of goods sold.

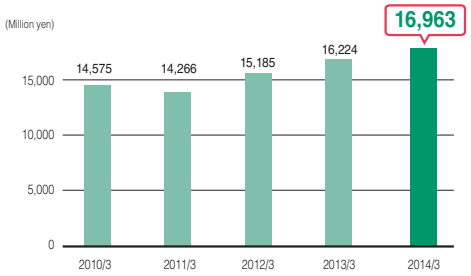


Industrial segment

Manufacture and sale of storage batteries for the operation of equipment, UPS (uninterruptible power system) and other products

sales **16,963** million yen (4.6% increase)

In the industrial segment, sales increased 739 million yen, or 4.6%, to 16,963 million yen and segment income decreased 164 million yen, or 10.9%, to 1,341 million yen. Growth was attributable mainly to higher sales of alkaline batteries for railway use but as with automobiles, higher prices for lead, the main raw material for batteries, resulted in an increase in the cost of goods sold.

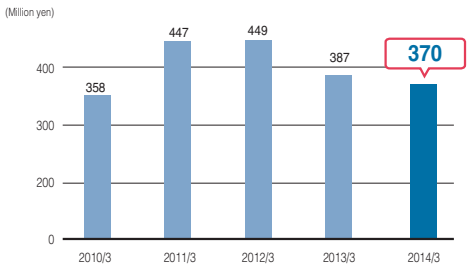


Real estate segment

Leases space in buildings to tenants

sales **370** million yen (4.3% decrease)

In the real estate segment, sales decreased 16 million yen, or 4.3%, to 370 million yen and segment income rose 73 million yen, or 86.0%, to 158 million yen. This is mainly because there were no one-off expenses including repairs to equipment and facilities despite a decline in leasing income.



Overseas Sales

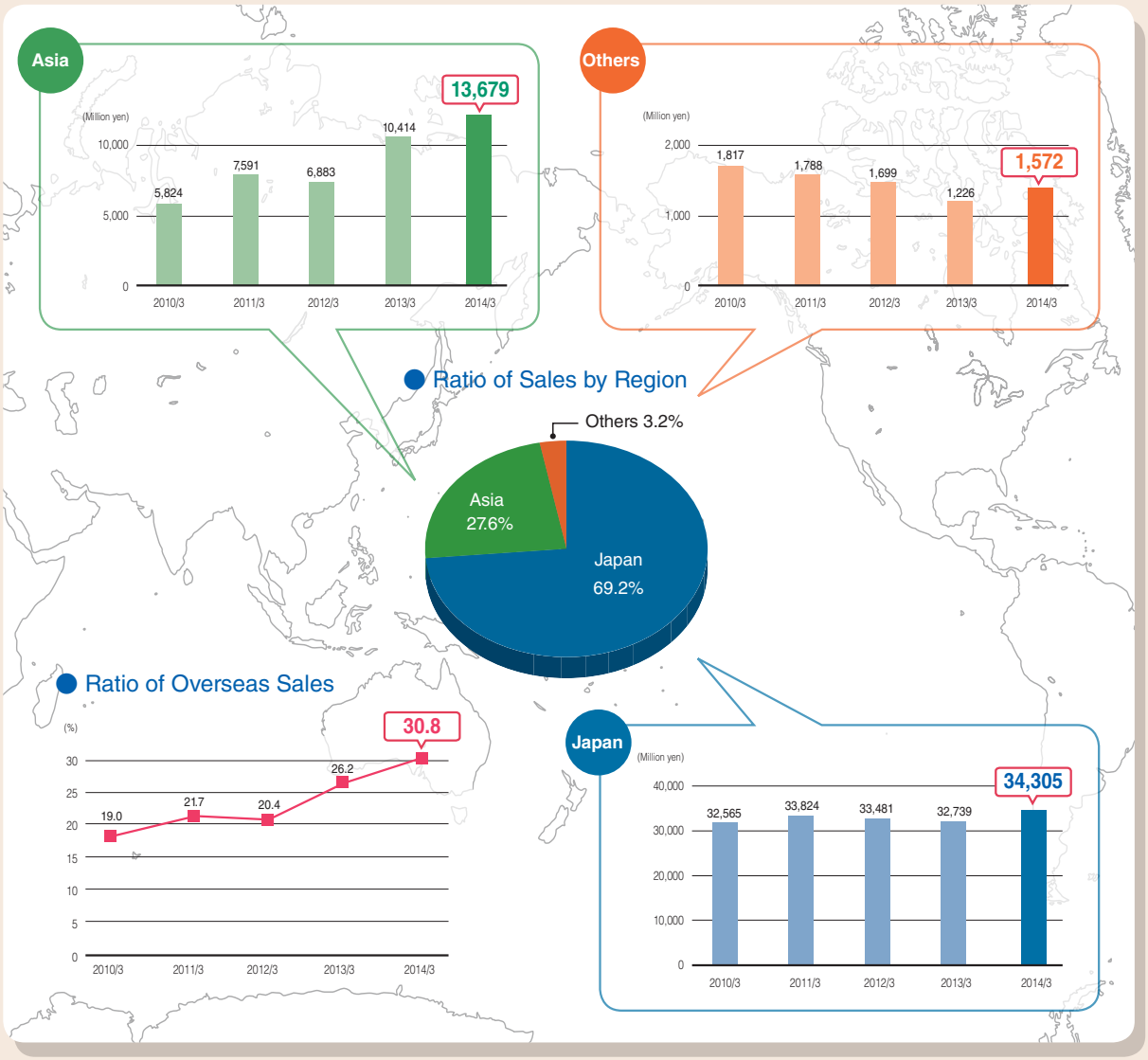
Overseas sales were 15,251 million yen. Our overseas sales are generated by lead-acid batteries for automobiles and motorcycles which are sold in non-Japanese regions. The batteries are produced by our overseas subsidiary, Siam Furukawa and us, Furukawa Battery.

Overseas Sales / Ratio of Overseas Sales

Unit: Million yen

	FY2010	FY2011	FY2012	FY2013	FY2014
Sales	40,206	43,204	42,064	44,380	**49,556**
Sales by region					
Japan	32,565	33,824	33,481	32,739	**34,305**
Asia	5,824	7,591	6,883	10,414	**13,679**
Others	1,817	1,788	1,699	1,226	**1,572**
Ratio of overseas sales	19.0%	21.7%	20.4%	26.2%	**30.8%**

Sales by Region



Profile of Furukawa Battery

Helping to create a better society through technology and products people can trust

Corporate Profile

Corporate Name **The Furukawa Battery Co., Ltd.**

Head Office **Hoshikawa SF Building, 2-4-1 Hoshikawa, Hodogaya-Ku, Yokohama City, Kanagawa, 240-0006 Japan**

Established **September 1, 1950**
(Spun off from Furukawa Electric Co., Ltd.)

President **Katsutoshi Tokuyama**

Paid-in Capital **1.64 billion JPY (As of March 31 2014)**

Number of Employees **1,999 [Consolidated], 874 [Non-Consolidated] (As of March 31, 2014)**

● Major Products

Lead-Acid Storage Batteries:
For automobiles, motorcycles, electric powered vehicles, trains, aircrafts, ships, emergency lighting, telephone switchboards, information devices, uninterruptible power supplies (UPS), security systems, new energy power, power storage systems

Alkaline Storage Batteries:
For measurement instruments, space satellites, fire alarms, emergency broadcast systems, shutters, aircrafts, railway cars, etc.

Power Supply Systems:
DC power supply systems, AC uninterruptible power supply systems (UPS), inverters, etc.

Other Items:
Converters, battery chargers, storage battery diagnosis apparatus, battery testers, electrical work, telecommunications work, and others

Group Companies

Automobile battery sales

Furukawa Battery Marketing Kita-Nihon Co., Ltd.
Furukawa Battery Marketing Higashi-Nihon Co., Ltd.
Furukawa Battery Marketing Chubu Co., Ltd.
Furukawa Battery Marketing Nishi-Nihon Co., Ltd.
Furukawa Battery Marketing Kyushu Co., Ltd.
Niigata Furukawa Battery Co., Ltd.

Automobile battery production and sales

Siam Furukawa Co., Ltd. (Thailand)
Pt. Furukawa Indomobil Battery Manufacturing (Indonesia)

Others

Daiichi Giken Kogyo Co., Ltd.
HD Holdings Co., Ltd.
FB Finance Co., Ltd.
FB Package Co., Ltd.

Business Continuity Plan (BCP)

BCP basic policy

1. Perspective of human safety

We put disaster countermeasures in place to ensure the safety of employees, other workers of our company, their families, visitors, and other people.

2. Perspective of business continuity

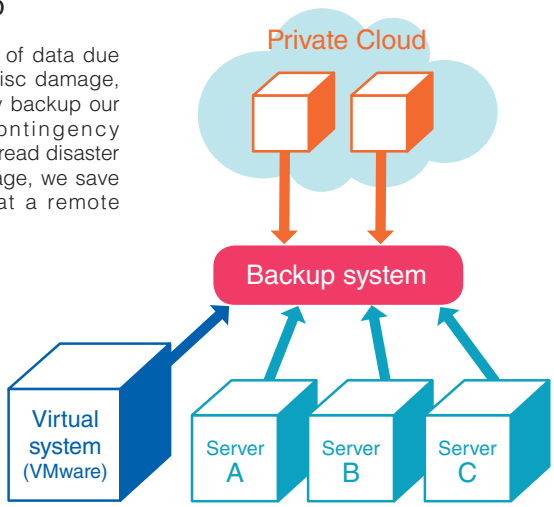
We ensure our company is resilient to damage to ensure we can recover from a disaster quickly to continue the business and meet the needs of our customers.

3. Other perspectives

We place an emphasis on the local residents and the local self-governing bodies as part of restoration efforts.

Data backup

To prevent loss of data due to disaster or disc damage, we continuously backup our data. As a contingency against wide-spread disaster or system damage, we save backup data at a remote location.



Head Office and Plants

FB Plant
1066-22 Harigai Aza Kayaba,
Nikko City, Tochigi Prefecture
321-2331 JAPAN
Phone : +81-288-26-8061
Fax: +81-288-26-8089

Imaichi Plant
597 Otorozawa Aza Uehara,
Nikko City, Tochigi Prefecture
321-2336 JAPAN
Phone : +81-288-22-3111
Fax: +81-288-22-3114

Iwaki Plant
23-6 Joban Shimo-Funao-Machi
Kuidesaku, Iwaki City, Fukushima
Prefecture
972-8312 JAPAN
Phone : +81-246-43-0080
Fax: +81-246-43-5643

Head Office
Hoshikawa SF Bldg., 2-4-1
Hoshikawa, Hodogaya-Ku,
Yokohama City, Kanagawa
Prefecture 240-0006 JAPAN
Phone : +81-45-336-5034
Fax: +81-45-333-3511

Concept image of the completed plant

PT. FURUKAWA
INDOMOBIL BATTERY MANUFACTURING
Kawasan Industri Kota Bukit Indah Blok
O-I No.1A Dangdeur, Bungursari,
Purwakarta, Jawa Barat-41181, Indonesia

SIAM FURUKAWA CO., LTD.
33 Moo 4 Nongplakradee Rd,
Bualoy Sub-District, Nongkhae,
Saraburi Province, 18140, THAILAND
Phone: + 66-36-373-573
Fax: + 66-36-373-574

History

1914	Furukawa Electric Co., Ltd. established its battery factory in Amagasaki City, Hyogo Prefecture, and started production of lead-acid batteries.
1937	Relocated the battery plant to Hodogayaku,Yokohama City for business expansion.
1950	Spun off from Furukawa Electric Co., Ltd. and founded as The Furukawa Battery Co., Ltd.
1970	Completed an automobile battery plant in Imaichi City (now Nikko City), Tochigi Prefecture.
1978	Completed an automobile battery plant in Iwaki City, Fukushima Prefecture.
1986	Constructed FB Plant (Nikko).
1995	Obtained ISO 9001 certification.
1999	Obtained ISO 14001 certification (Iwaki & Imaichi Plants).
2001	Completed company-wide certification under ISO 9001 (2000).
2002	Additionally acquired shares of Siam Furukawa Co., Ltd. to make it a subsidiary.
2003	Successfully developed the world's first lithium-ion battery for space application, which was installed in the "Hayabusa" asteroid explorer.
2010	Provided the "Akatsuki" Venus climate orbiter with a lithium-ion battery. Received a certificate of commendation from the Ministry of Education, Culture, Sports, Science and Technology, for the development of batteries installed on board "Hayabusa," the compact planetary exploration craft that has achieved the world-first bringing samples back to earth from an asteroid.
2011	Obtained the highest environmental rating from the Development Bank of Japan, the first time that rating has been awarded in the lead-acid battery industry. Launched long-life control valve-regulated stationary lead-acid cycle-service battery (FCP Series).
2012	Launched battery for vehicles with idle-stop system (ECHNO IS) and battery for hybrid vehicles (ECHNO HV).
2013	Adopted and launched capacitor-hybrid lead-acid storage battery, UltraBattery, for cycle-service control-valve-regulated lead-acid battery (UB-1000) and battery for hybrid vehicles with idle-stop systems (ECHNO IS series). Established PT. FURUKAWA INDOMOBIL BATTERY MANUFACTURING in Indonesia.

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http://www.furukawadenchi.co.jp/english/

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