

## Announcement of the Revised Achievements

Tokyo January 30, 2002, FDK CORPORATION announced today, based on the latest achievements, the predicted financial results for the semiannual, which was announced on September 24, 2001, are revised as follows.

### 1. Revision of forecasted financial results

#### (1) Consolidated basis of fiscal year 2001(From April 1, 2001 to March 31, 2002)

(Million of yen)

Forecast as of ...	Net sales	Current profit	Income after income taxes
September 24, 2001	107,000	-800	-8,200
January 30, 2002	97,700	-4,100	-11,800
Difference	-9,300	-3,300	-3,600
Rate of difference (% change)	-8.7%		
(Reference) Achievements of fiscal year 2000	120,036	5,057	4,270

#### (2) Non-consolidated basis of fiscal year 2001(From April 1, 2001 to March 31, 2002)

(Million of yen)

Forecast as of ...	Net sales	Current profit	Income after income taxes
September 24, 2001	99,000	400	-6,640
January 30, 2002	84,300	-2,700	-11,300
Difference	-14,700	-3,100	-4,660
Rate of difference (% change)	-14.8%		
(Reference) Achievements of fiscal year 2000	104,483	2,287	1,471

### 2. The reason of revision

Although there are recovery signs in some of the products in the achievements of the first half of the fiscal year 2001, the strategic products of our company such as optical device, switching power supply, etc. are likely to fall greatly beyond the original anticipation, resulting in the forecasted value less than the one released at the middle settlement announcement.

### **3. Growth strategy of FDK group**

Several measures are carried out based on the "Reconstruction of enterprise structural reform of FDK group" released on September 21, 2001. In addition, measures toward mid- and long-term growth and its realization were got into shape.

Further, as part of the measures Iwaki Electronics Co. , Ltd., 100% subsidiary of our company will be taken over on April 1,2002.

Remark: refer to the released "Reconstruction of enterprise structural reform and FDK group"

(Remark)

The anticipation numerical value indicated above is calculated based on the information, which is obtainable at present, it may contain many indefinite elements.

Therefore, please understand the actual achievements may greatly differ from the indicated anticipation of this release according to the change of business conditions.

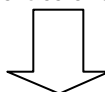
# Growth Strategy of FDK Group

January 31, 2002 - FDK CORPORATION in order to overcome the worldwide depression on IT business and effectively respond to rapid changes in the market structure, FDK group announced its intention to carry out new organizational structure strategy accordingly on September 21, 2001. Based on the announced measures in the 2<sup>nd</sup> half of fiscal year 2001 domestic manufacture base will be shifted to China including generalization function of ferrite enterprise, also cutting off the constant cost will be realized mainly by curtailing of staff with a special transfer support system and increasing the efficiency would be taken as a crucial point while implementing some individual strategies. Consequently, the future growth for mid-and long-term is expected and further defined, under the current strategy the recovery of the market condition will be caught up. The following measures will be implemented to build up a stable management base.

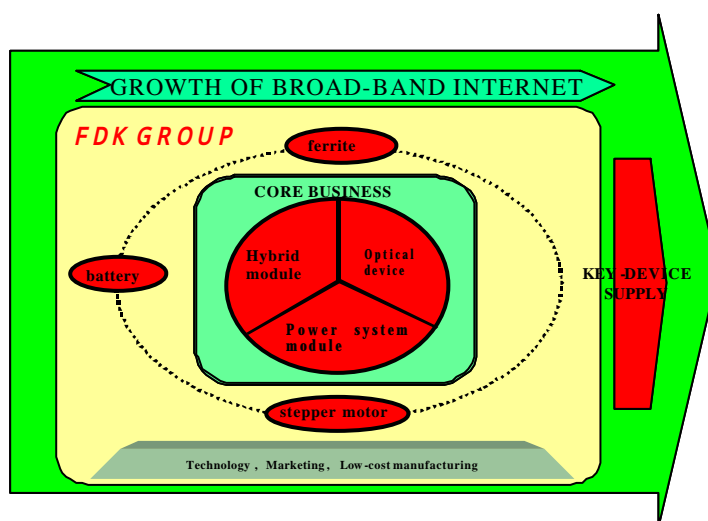
## 1. Growth Orientation

**The status of FDK as a key device supplier in the latest field of the Broad-band Internet is established.**

- ◇ Concentration of the management resources to support the growth of Broad-band Internet related product.
- ◇ Technical trend and customer needs are responded accurately to developing a proposed type business and improving customer satisfaction.
- ◇ Strengthening the cooperation among groups and alliance of enterprise base with the clients outside the company to generate the synergy and increase efficiency.



Products with high potential growth will be considered as a key device in the Broad-band Internet and positioned as core business. And the enterprise structure is stabilized by cooperation with products with mature markets such as battery or ferrite that supports those highly expected products.



## **2. The action plan for strategy implementation.**

### **(1) Reorganizing core business group**

The product of Broad-band Internet field will be positioned as the core business group, which will be reorganized as the following three fields.

Optical device  
Hybrid module  
Power system · module

### **(2) Strengthening of optical device business**

As optical network field shift from a long-holl system to metropolitan system and access system, its high growth can be expected in the future. On that account, the strengthening is tackled by defining optical device business into the maximum important subjects, and the top company of optical passive devices is aimed.

- I. Strengthening the cooperation with FUJITSU and FUJITSU group
- II. Reexamining and strengthening the product development system

### **(3) The merger of Iwaki Electronics Co., Ltd.**

In order to reorganize core business group and to build the most efficient organization for strategy realization, Iwaki Electronics co. , Ltd, a 100% subsidiary is to be merged.

Plan to merge on 1<sup>st</sup> April 2002

### **(4) Strengthening the marketing power and product development power**

Reexamining the administration and management system and strengthening of selling channel in Europe, the United States and China, so as to catch customer needs accurately to realize product development.

### **(5) Rationalization of mature products and consolidating of enterprise base**

#### **Ferrite**

While establishing the enterprise organization with a focus in China (in the 2<sup>nd</sup> half of fiscal year 2001), the domestic sale in China is enhanced by taking the advantage of leading technology.

#### **Battery**

Enterprise management is strengthened through promotion of strategic alliance with Sony, practically using of the Indonesia manufacture base and strengthening of domestic selling system.

#### **Stepper motor**

In addition to OA apparatus which used to be pillar, apparatus for cars are also strongly promoted, and the growth are expected to be stabilized at two bases of Xiamen FDK corporation and FDK (Thailand) Co. , Ltd.