

April 28, 2010

**Fiscal Year 2009 Consolidated Financial Results**

(April 1, 2009 to March 31, 2010)

**FDK CORPORATION**(URL: <http://www.fdk.com>)

Listing Code No.6955 (Listing Stock Exchange: The Second Section of Tokyo Stock Exchange)

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Filing date of Yukashoken Hokokusho : June 29, 2010

The Consolidated Financial Results is unaudited / U.S. GAPP is not applied

**1. Consolidated Results for FY2009 ended March 31, 2010****a. Consolidated Statements of Income**

	Yen (millions)			U.S.Dollars (millions)
	FY2009	FY2008	Change(%)	FY2009
	(4/1/09-3/31/10)	(4/1/08-3/31/09)		(4/1/09-3/31/10)
<b>Net Sales</b>	68,447	78,475	(12.8) %	\$735.67
<b>Operating Income(loss)</b>	2,398	(1,350)	-	\$25.77
<b>Income(Loss) Before Income Taxes</b>	1,582	(11,817)	-	\$17.00
<b>Net Income (Loss)</b>	1,046	(12,076)	-	\$11.24
<b>Amounts Per Share of Common Stock:</b>				
Basic Earnings (Loss)	4.98 yen	(94.43) yen	-	5.4 cent
Diluted Earnings	-	-	-	-

**b. Consolidated Financial Position**

	Yen (millions)	
	As of Mar. 31, 2010	As of Mar. 31, 2009
	<b>Total Assets</b>	64,515
<b>Total Net Assets</b>	3,258	(8,534)
<b>Shareholders' Equity</b>	3,732	(8,312)
<b>Shareholders' Equity Ratio</b>	4.1%	(19.7%)
<b>Shareholders' Equity Per Share</b>	(38.39) yen	(157.06) yen

**c. Consolidated Statements of Cash Flows**

	Yen (millions)	
	FY2009	FY2008
	(4/1/09-3/31/10)	(4/1/08-3/31/09)
<b>Net cash used in operating activities</b>	211	2,315
<b>Net cash used in investing activities</b>	(5,505)	(267)
<b>Net cash used in financing activities</b>	5,325	(1,378)
<b>Cash and cash equivalents at end of period</b>	7,504	7,217

<b>Consolidated Subsidiaries</b>	16 companies
<b>Unconsolidated Subsidiaries (equity method applied)</b>	- companies
<b>Affiliates (equity method applied only)</b>	1 companies

d. Net Sales by Business Segment

	Yen	Yen	U.S.Dollars
	(millions)	(millions)	(millions)
	FY2009 (4/1/09-3/31/10)	FY2008 (4/1/08-3/31/09)	FY2009 (4/1/09-3/31/10)
Electronic Devices	37,673	52,229	\$404.91
Batteries	30,773	26,245	\$330.75
Total	68,447	78,475	\$735.67

(Notes for the Consolidated Operating Results (from 1.a to 1.d))

1. All amounts less than one million yen have been disregarded.
2. U.S. dollar amounts are translated from yen, for convenience only, at the rate of \$1=93.04 yen
3. The percentage in this statement presents rate of change compared with the previous fiscal year.

2. Consolidated Financial Forecast for the year ending March 31, 2011

(Million of yen, except per share data)

	FY2010	Change from FY2009(%)
Net Sales	¥97,000	41.7 %
Operating Income	¥3,000	25.1 %
Net Income	¥2,000	91.2 %
Net Income per Share	9.20 yen	-

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of April 28, 2010.

3. Others

(1) Changes in significant subsidiaries during the period: Yes

2 companies included in the consolidated subsidiary: FDK Twicell Co., Ltd. & FDK Tottori Co., Ltd.

(2) Changes in accounting policies, procedures, and presentation, etc.

1) Changes resulting from revisions in accounting principles, etc.: Yes

2) Other changes: Yes

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of fiscal year. (including treasury shares)

March 31, 2010 : 217,505,884 shares      March 31, 2009: 128,075,884 shares

2) Number of treasury shares at the end of fiscal year

March 31, 2010 : 218,916 shares      March 31, 2009: 205,600 shares

## Consolidated Balance Sheets

### Millions of yen

	FY2008 Mar 31, 2009	FY2009 Mar 31, 2010
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,517	7,417
Notes and accounts receivable-trade	15,708	21,458
Merchandise and finished goods	1,545	2,597
Work in process	800	2,921
Raw materials and supplies	1,547	2,047
Accounts receivable-other	2,311	-
Deferred tax assets	37	265
Other	502	2,428
Allowance for doubtful accounts	(28)	(113)
Total current assets	29,943	39,023
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures, net	5,088	8,079
Machinery, equipment and vehicles, net	4,733	9,422
Tools, furniture and fixtures, net	829	804
Land	2,148	3,469
Lease assets, net	623	402
Construction in progress	146	200
Total property, plant and equipment	13,570	22,378
Intangible assets	548	669
Investments and other assets		
Investment securities	249	130
Long-term loans receivable	4	14
Deferred tax assets	25	688
Other	1,892	1,610
Allowance for doubtful accounts	(30)	(0)
Total investments and other assets	2,140	2,444
Total noncurrent assets	16,259	25,492
<b>Total assets</b>	46,203	64,515
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	11,896	19,088
Short-term loans payable	28,135	23,794
Current portion of long-term loans payable	449	325
Lease obligations	330	230
Accounts payable-other	2,961	2,310
Income taxes payable	101	433
Other	2,237	2,853
Total current liabilities	46,113	49,036
<b>Noncurrent liabilities</b>		
Long-term loans payable	204	66
Lease obligations	774	546
Deferred tax liabilities	4	3
Provision for retirement benefits	7,513	7,778
Negative goodwill	-	3,605
Other	127	220
Total noncurrent liabilities	8,624	12,221
<b>Total liabilities</b>	54,738	61,257
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	22,756	28,301
Capital surplus	17,167	22,622
Retained earnings	(48,197)	(47,151)
Treasury stock	(38)	(40)
Total shareholders' equity	(8,312)	3,732
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	6	5
Deferred gains or losses on hedges	-	(45)
Foreign currency translation adjustment	(777)	(1,033)
Total valuation and translation adjustments	(770)	(1,073)
<b>Minority interests</b>	548	599
<b>Total net assets</b>	(8,534)	3,258
<b>Total liabilities and net assets</b>	46,203	64,515

**Consolidated Statements of Income**  
**Millions of yen**

	<b>FY2008</b>	<b>FY2009</b>
	<b>Apr'08-Mar'09</b>	<b>Apr'09-Mar'10</b>
<b>Net sales</b>	78,475	68,447
Cost of sales	70,240	57,968
<b>Gross profit</b>	8,234	10,478
Selling, general and administrative expenses	9,585	8,080
<b>Operating income (loss)</b>	(1,350)	2,398
Non-operating income		
Interest income	57	18
Amortization of negative goodwill	-	189
Rent income	31	36
Insurance income	59	-
Gain on sales of noncurrent assets	-	49
Gain on sales of scraps	55	-
Other	118	136
Total non-operating income	322	430
Non-operating expenses		
Interest expenses	520	229
Equity in losses of affiliates	-	152
Foreign exchange losses	1,095	161
Loss on retirement of noncurrent assets	88	175
Amortization of net retirement benefit obligation at transition	1,278	-
Other	281	254
Total non-operating expenses	3,263	974
<b>Ordinary income (loss)</b>	(4,292)	1,853
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	-	39
Gain on transfer of business	2,193	-
Gain on sales of noncurrent assets	165	-
Total extraordinary income	2,359	39
Extraordinary loss		
Impairment loss	968	191
Business structure improvement expenses	7,983	111
Other	932	8
Total extraordinary loss	9,884	310
<b>Income (loss) before income taxes</b>	(11,817)	1,582
Income taxes-current	159	560
Income taxes-deferred	92	(61)
Total income taxes	252	498
Minority interests in income	6	37
<b>Net income (loss)</b>	(12,076)	1,046

## Statements of Changes in Net Assets

### Millions of yen

	FY2008 Apr'08-Mar'09	FY2009 Apr'09-Mar'10
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Beginning balance	22,756	22,756
Changes of items during the period		
Issuance of new shares	-	5,544
Total changes of items during the period	-	5,544
Ending balance	22,756	28,301
<b>Capital surplus</b>		
Beginning balance	17,167	17,167
Changes of items during the period		
Issuance of new shares	-	5,455
Total changes of items during the period	-	5,455
Ending balance	17,167	22,622
<b>Retained earnings</b>		
Beginning balance	(36,121)	(48,197)
Changes of items during the period		
Net income(loss)	(12,076)	1,046
Total changes of items during the period	(12,076)	1,046
Ending balance	(48,197)	(47,151)
<b>Treasury stock</b>		
Beginning balance	(31)	(38)
Changes of items during the period		
Purchase of treasury stock	(6)	(2)
Total changes of items during the period	(6)	(2)
Ending balance	(38)	(40)
<b>Total shareholders' equity</b>		
Beginning balance	3,771	(8,312)
Changes of items during the period		
Issuance of new shares	-	10,999
Net income(loss)	(12,076)	1,046
Purchase of treasury stock	(6)	(2)
Total changes of items during the period	(12,083)	12,044
Ending balance	(8,312)	3,732
<b>Valuation and translation adjustments</b>		
<b>Valuation difference on available-for-sale securities</b>		
Beginning balance	6	6
Changes of items during the period		
Net changes of items other than shareholders' equity	0	(1)
Total changes of items during the period	0	(1)
Ending balance	6	5
<b>Deferred gains or losses on hedges</b>		
Beginning balance	(0)	-
Changes of items during the period		
Net changes of items other than shareholders' equity	0	(45)
Total changes of items during the period	0	(45)
Ending balance	-	(45)
<b>Foreign currency translation adjustment</b>		
Beginning balance	(1,248)	(777)
Changes of items during the period		
Net changes of items other than shareholders' equity	470	(255)
Total changes of items during the period	470	(255)
Ending balance	(777)	(1,033)
<b>Total valuation and translation adjustments</b>		
Beginning balance	(1,242)	(770)
Changes of items during the period		
Net changes of items other than shareholders' equity	471	(302)
Total changes of items during the period	471	(302)
Ending balance	(770)	(1,073)
<b>Minority interests</b>		
Beginning balance	42	548
Changes of items during the period		
Net changes of items other than shareholders' equity	505	51
Total changes of items during the period	505	51
Ending balance	548	599
<b>Net assets</b>		
Beginning balance	2,571	(8,534)
Changes of items during the period		
Issuance of new shares	-	10,999
Net income(loss)	(12,076)	1,046
Purchase of treasury stock	(6)	(2)
Net changes of items other than shareholders' equity	976	(250)
Total changes of items during the period	(11,106)	11,793
Ending balance	(8,534)	3,258

**Consolidated Statements of Cash Flows**  
**Millions of yen**

	FY2008	FY2009
	Apr'08-Mar'09	Apr'09-Mar'10
<b>Net cash provided by (used in) operating activities</b>		
Income (loss) before income taxes	(11,817)	1,582
Depreciation and amortization	3,297	2,433
Impairment loss	5,644	191
Equity in (earnings) losses of affiliates	96	152
Increase (decrease) in provision for retirement benefits	1,692	(1,610)
Increase (decrease) in provision for directors' retirement benefits	(98)	-
Increase (decrease) in allowance for doubtful accounts	(26)	54
Interest and dividends income	(64)	(20)
Interest expenses	520	229
Foreign exchange losses (gains)	22	30
Loss (gain) on sales of property, plant and equipment	(177)	(49)
Loss on retirement of property, plant and equipment	166	175
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	(39)
Loss (gain) on transfer of business	(2,193)	-
Stock issuance cost	-	53
Amortization of negative goodwill	-	(189)
Decrease (increase) in notes and accounts receivable-trade	9,774	515
Decrease (increase) in inventories	1,625	(1,171)
Increase (decrease) in notes and accounts payable-trade	(8,066)	(189)
Increase (decrease) in accrued expenses	(1,000)	946
Other, net	3,664	(2,216)
Subtotal	3,060	879
Interest and dividends income received	64	20
Interest expenses paid	(609)	(257)
Income taxes paid	(259)	(430)
Other, proceeds	59	-
Net cash provided by (used in) operating activities	2,315	211
<b>Net cash provided by (used in) investing activities</b>		
Payments into time deposits	(15)	(15)
Proceeds from withdrawal of time deposits	12	22
Purchase of property, plant and equipment	(2,541)	(913)
Proceeds from sales of property, plant and equipment	377	129
Purchase of intangible assets	(26)	(73)
Purchase of investment securities	(5)	(4)
Proceeds from sales of investment securities	-	6
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(4,798)
Proceeds from sales of stocks of subsidiaries and affiliates	-	150
Proceeds from transfer of business	1,929	-
Other, net	2	(9)
Net cash provided by (used in) investing activities	(267)	(5,505)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	(865)	(4,894)
Proceeds from long-term loans payable	159	-
Repayment of long-term loans payable	(294)	(395)
Proceeds from issuance of common stock	-	10,999
Payments for issuance of common stock	-	(53)
Purchase of treasury stock	(6)	(2)
Cash dividends paid to minority shareholders	(3)	-
Repayments of finance lease obligations	(367)	(328)
Net cash provided by (used in) financing activities	(1,378)	5,325
<b>Effect of exchange rate change on cash and cash equivalents</b>	(380)	(124)
<b>Net increase (decrease) in cash and cash equivalents</b>	289	(92)
<b>Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation</b>	(2)	-
<b>Cash and cash equivalents at beginning of period</b>	7,217	7,504
<b>Cash and cash equivalents at end of period</b>	7,504	7,411

**Consolidated Business Segment Information**  
Millions of yen

**FY2008 Apr'08-Mar'09**

	<b>Electronic Materials</b>	<b>Batteries</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidate d</b>
<b>Net sales</b>					
Unaffiliated customers	52,229	26,245	78,475	-	78,475
Intersegment	-	-	-	-	-
<b>Total</b>	<b>52,229</b>	<b>26,245</b>	<b>78,475</b>	<b>-</b>	<b>78,475</b>
<b>Operating income (loss)</b>	<b>(2,747)</b>	<b>1,396</b>	<b>(1,350)</b>	<b>-</b>	<b>(1,350)</b>

**FY2009 Apr'09-Mar'10**

	<b>Electronic Materials</b>	<b>Batteries</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidate d</b>
<b>Net sales</b>					
Unaffiliated customers	37,673	30,773	68,447	-	68,447
Intersegment	-	-	-	-	-
<b>Total</b>	<b>37,673</b>	<b>30,773</b>	<b>68,447</b>	<b>-</b>	<b>68,447</b>
<b>Operating income (loss)</b>	<b>(456)</b>	<b>2,855</b>	<b>2,398</b>	<b>-</b>	<b>2,398</b>

**Consolidated Geographic Segment Information**  
Millions of yen

**FY2008 Apr'08-Mar'09**

	<b>Japan</b>	<b>Asia</b>	<b>North America</b>	<b>Europe</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidate d</b>
<b>Net sales</b>							
Unaffiliated customers	43,906	31,308	1,304	1,955	78,475	-	78,475
Intersegment	9,669	16,738	56	89	26,554	(26,554)	-
<b>Total</b>	<b>53,576</b>	<b>48,046</b>	<b>1,361</b>	<b>2,045</b>	<b>105,029</b>	<b>(26,554)</b>	<b>78,475</b>
<b>Operating income (loss)</b>	<b>(1,733)</b>	<b>626</b>	<b>(1)</b>	<b>(17)</b>	<b>(1,125)</b>	<b>(225)</b>	<b>(1,350)</b>

**FY2009 Apr'09-Mar'10**

	<b>Japan</b>	<b>Asia</b>	<b>North America</b>	<b>Europe</b>	<b>Total</b>	<b>Elimination</b>	<b>Consolidate d</b>
<b>Net sales</b>							
Unaffiliated customers	38,640	25,726	2,167	1,913	68,447	-	68,447
Intersegment	5,600	7,108	68	42	12,819	(12,819)	-
<b>Total</b>	<b>44,240</b>	<b>32,835</b>	<b>2,235</b>	<b>1,955</b>	<b>81,266</b>	<b>(12,819)</b>	<b>68,447</b>
<b>Operating income (loss)</b>	<b>1,719</b>	<b>981</b>	<b>46</b>	<b>(18)</b>	<b>2,728</b>	<b>(329)</b>	<b>2,398</b>

**Net Overseas Sales by Customer's Geographic Location**  
Millions of yen

**FY2008 Apr'08-Mar'09**

	<b>Asia</b>	<b>North America</b>	<b>Other Countries</b>	<b>Total</b>
<b>Total sales to foreign customers</b>	<b>31,591</b>	<b>4,051</b>	<b>4,928</b>	<b>40,571</b>
<b>Consolidated net sales</b>				<b>78,475</b>
<b>Percentage of sales to foreign customers to consolidated net sales</b>	<b>40.2%</b>	<b>5.2%</b>	<b>6.3%</b>	<b>51.7%</b>

**FY2009 Apr'09-Mar'10**

	<b>Asia</b>	<b>North America</b>	<b>Other Countries</b>	<b>Total</b>
<b>Total sales to foreign customers</b>	<b>23,088</b>	<b>4,856</b>	<b>4,755</b>	<b>32,699</b>
<b>Consolidated net sales</b>				<b>68,447</b>
<b>Percentage of sales to foreign customers to consolidated net sales</b>	<b>33.7%</b>	<b>7.1%</b>	<b>7.0%</b>	<b>47.8%</b>

## **Business Results**

### **(1) Analysis of Consolidated Business Results**

#### **1. Overview**

The business environment of the FDK Group (hereinafter called “FDK”) during the fiscal year ending March 31, 2010 continued to be severe due to tough competition with overseas manufacturers and order fluctuations during that period, although there was a trend towards a gradual recovery that centered on Asian countries due to the economic measures and monetary policies by many governments and the growth of China and India.

Due to these circumstances, FDK employed drastic business structural reforms, applying selectivity and focus to its business areas, reviewing production and sales sites at home and abroad, reducing the workforce, aligning with other companies and reducing costs drastically across the group. FDK implemented management reconstruction measures to turn around the damaged net assets. These consisted of increasing capital by 11 billion yen and by expanding and strengthening the battery business by adding Ni-MH and lithium batteries.

As for FDK’s business results, net sales were 68,472 million yen, a substantial decrease of 10,027 million yen from the previous fiscal year. The decrease was due to the termination of some products through selectivity and the transfer of stepping motor business, which was completed the previous fiscal year. However, business structural reforms improved the profitability of the electronic device business while the battery business expansion also contributed to the profits. Operating income was 2,398 million yen and increased 3,749 million yen. Income before income taxes was 1,582 million yen and net income was 1,046 million yen.

The divisional sales overview is as follows.

#### **2. Electronic Device Business**

Sales of coil devices decreased from the previous year due to the slow-down in sales of transformers for liquid crystal displays (LCDs) resulting from intensified price competition and the reduced need for transformers with the increased use of LED screens, and for industrial machinery, such as machine tools, although sales of devices for automobiles increased. Sales of multilayer power inductors decreased from the previous year because of the market downturn for digital cameras and intensified price competition. Sales of piezoelectric components increased from the previous year due to a steady increase in sales of high-end digital cameras which adopted these components for use in ultrasonic motors that can be driven at low voltages, even though the total market for digital cameras was sluggish. Sales of toner increased from the previous year due to the recovery of orders. Sales of optical devices decreased from the previous year due to the decline in market needs on new submarine cable settlements and decline in product price. Sales of signal processing modules for LCDs decreased greatly from the previous year due to production adjustments at the beginning and end of the period and a fall in sales prices.

As a result, sales for the electronic device business were 37,673 million yen, a decrease of 14,555 million yen from the previous fiscal year due to the termination of some products and the transfer of the stepping motor business.

### 3. Battery Business

While the consumer market was sluggish, sales of alkaline batteries remained the same as the previous year due to aggressive sales activities for the “Fujitsu Alkaline Battery G. D. R Series” in Japan and extended sales activities for OEM products in the global market. Sales of lithium batteries increased from the previous year, due to the large increase in sales of smoke detectors in Europe. As for the two new FDK businesses, FDK Twicell Co., Ltd and FDK Tottori Co., Ltd, which consolidated to FDK in January, they contributed to business significantly due to the smooth transition and integration under the direction of the newly-created Battery Business Division.

As a result, sales for the battery business were 30,773 million yen, an increase of 4,527 million yen from the previous fiscal year.

### 4. Forecast for the Fiscal Year Ending March 31, 2011

For the FY2010 business environment, a difficult operating environment is expected to continue as price competition with overseas manufacturers, including growing Asian manufacturers, is expected to be keen and fluctuation of orders and raw material prices will be continued. Under these circumstances, FDK will improve profitability in its existing business and implement a three year mid-term business plan that includes the two battery manufacturing subsidiaries which recently became subsidiaries to enhance FDK's battery business.

Our consolidated forecasts for the year ending March 31, 2011 are noted below. The exchange rate is anticipated to be 87 yen per US dollar and 125 yen per Euro.

	(Millions of yen)	
	Year ending <u>March 31, 2011</u>	Change from the year <u>ending March 31, 2010(%)</u>
Net sales	97,000	41.7%
Operating income	3,000	25.1%
Net income	2,000	91.7%

## (2) Analysis of Financial Condition

### 1. Status of Assets, Liabilities and Net Assets

Total assets at the end of FY2009 increased 18,312 million yen from the end of the previous fiscal year to 64,515 million yen. Current assets increased 9,079 million yen to 39,023 million yen. Noncurrent assets increased 9,232 million yen to 25,492 million yen.

The principal causes for increased current assets were a 5,750 million yen increase in notes and accounts receivable trade, a 2,121 million yen increase in works in process and a 1,051 million yen increase in merchandise and finished goods. The principal cause for increased noncurrent assets was a 8,807 million yen increase in total property, plant and equipment.

Total liabilities at the end of FY2009 increased 6,519 million yen from the end of the previous fiscal year to 61,257 million yen. Current liabilities increased 2,922 million yen from the end of the previous fiscal year to 49,036 million yen. Noncurrent liabilities increased 3,596 million yen from the end of the previous fiscal year to 12,221 million yen.

The principal cause of increased current liabilities was a 7,192 million yen increase in notes and accounts payable trade, though there was a 4,340 million yen decrease in short-term loans payable. The principal cause for increased non-current liabilities was a 3,605 million yen increase in negative goodwill.

The interest-bearing debt decreased 4,931 million yen from the end of the previous fiscal year to 24,963 million yen.

Total net assets at the end of FY2009 increased 11,793 million yen from the end of the previous fiscal year to 3,258 million yen and thus cleared away excessive debt. The main factors for the increase in total net assets were a 1,046 million yen increase in retained earnings by posting a net income of FY2009, a 5,544 million increase in capital stock and a 5,455 million increase in capital surplus.

## **2. Cash Flow Condition**

Net cash used in operating activities increased 211 million yen from the end of the previous fiscal year due to an increase in cash and cash equivalents (“cash”) by posting income before income taxes and depreciation and amortization, though some of the decrease in cash resulted from a decrease in provisions for retirement benefits and an increase in inventories.

Net cash used in investment activities decreased 5,505 million yen from the end of the previous fiscal year due to the purchase of investments in subsidiaries resulting in a change in scope of consolidation.

Net cash used in financing activities increased 5,325 million yen from the end of the previous fiscal year due to the increase in capital due to the issuance of new shares, though there was a decrease in short-term loans payable.

As a result, the balance of cash and cash equivalents at the end of the fiscal period was 7,411 million yen, a decrease of 92 million yen from the beginning of the fiscal year.