

Consolidated Financial Results for the First Quarter Ended June 30, 2009
(April 1, 2009 to June 30, 2009)

FDK CORPORATION

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

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

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

1. Consolidated Operating Results for the Three-Months Period Ended June 30, 2009

a. Consolidated Statements of Operations

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30,	Three months ended June 30,	FY2008 ended March 31,	Three Months ended June 30,
	2009	2008	2009	2009
Net Sales	15,148	22,468	78,475	\$157.79
Operating Income (Loss)	(31)	(241)	(1,350)	(\$0.32)
Income(Loss) Before Income Taxes and Minority Interests	(171)	(145)	(11,817)	(\$1.78)
Net Income (Loss)	(256)	(343)	(12,076)	(\$2.67)
Amounts Per Share of Common Stock:				
Basic Earnings (Loss)	(1.37) yen	(2.69) yen	(94.43)	(1.42 cent)
Diluted Earnings	-	-	-	-

b. Consolidate Business Segment Information

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30,	Three months ended June 30,	FY2008 ended March 31,	Three months ended June 30,
	2009	2008	2009	2009
Electronic Devices	10,056	16,463	52,229	\$104.75
Batteries	5,092	6,005	26,245	\$53.04
Total	15,148	22,468	78,475	\$157.79

c. Consolidated Balance Sheet

	Yen (millions)	
	As of June 30,	As of March 31,
	2009	2009
Total Assets	43,027	46,203
Total Net Assets	2,145	(8,534)
Shareholders' Equity	2,430	(8,312)
Shareholders' Equity Ratio	3.7 %	(19.7) %
Shareholders' Equity Per Share	(43.37) yen	(157.06) yen

d. Consolidated Statements of Cash Flows

	Yen (millions)		Yen (millions)
	Three months ended June 30, 2009	Three months ended June 30, 2008	FY2008, ended March 31, 2009
Net cash provided by operating activities	936	361	2,315
Net cash provided by investing activities	(159)	(439)	(267)
Net cash provided by financing activities	(2,475)	1,103	(1,378)
Cash and cash equivalents at end of period	5,779	8,691	7,504
Consolidated Subsidiaries			14 companies
Unconsolidated Subsidiaries (equity method applied)			- companies
Affiliates (equity method applied only)			1 companies

(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 96yen=\$1
3. Percentages in this statement present rate of change compared with the same period last year.

2. Others

(1) Changes in significant subsidiaries during the period: No

(Note) 3 companies excluded from the consolidated subsidiaries: They are FDK MECHATRONICS CO., LTD., FDK (THAILAND) CO., LTD. and FDK TATUNG (THAILAND) CO., LTD.

(2) Adoption of simplified accounting methods for quarterly reporting: Yes

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

1) Changes resulting from revisions in accounting principles, etc.: No

2) Other changes: Yes

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at end of period

June 30, 2009 : 217,505,884 shares March 31, 2009: 128,075,884 shares

2) Number of treasury shares at end of period

June 30, 2009 : 209,921 shares March 31, 2009: 205,600 shares

3) Weighted average number of shares outstanding during three months ended June 30 of each year.

June 30, 2009 : 187,815,847 shares June 30, 2008: 127,918,231 shares

Consolidated Balance Sheets

Millions of yen

	Q1/FY2009 Jun 30, 2009	FY2008 Mar 31, 2009
Assets		
Current assets		
Cash and deposits	5,786	7,517
Notes and accounts receivable-trade	15,578	15,708
Merchandise and finished goods	1,767	1,545
Work in process	725	800
Raw materials and supplies	1,820	1,547
Deferred tax assets	20	37
Other	1,514	2,813
Allowance for doubtful accounts	(29)	(28)
Total current assets	<u>27,184</u>	<u>29,943</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,060	5,088
Machinery, equipment and vehicles, net	4,646	4,733
Tools, furniture and fixtures, net	707	829
Land	2,172	2,148
Lease assets, net	563	623
Construction in progress	122	146
Total property, plant and equipment	<u>13,272</u>	<u>13,570</u>
Intangible assets	<u>590</u>	<u>548</u>
Investments and other assets		
Investment securities	141	249
Long-term loans receivable	10	4
Deferred tax assets	39	25
Other	1,817	1,892
Allowance for doubtful accounts	(30)	(30)
Total investments and other assets	<u>1,979</u>	<u>2,140</u>
Total noncurrent assets	<u>15,842</u>	<u>16,259</u>
Total assets	<u>43,027</u>	<u>46,203</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,975	11,896
Short-term loans payable	14,892	28,135
Current portion of long-term loans payable	444	449
Lease obligations	306	330
Accounts payable-other	3,041	2,961
Income taxes payable	50	101
Other	1,688	2,237
Total current liabilities	<u>32,400</u>	<u>46,113</u>
Noncurrent liabilities		
Long-term loans payable	181	204
Lease obligations	712	774
Deferred tax liabilities	5	4
Provision for retirement benefits	7,454	7,513
Other	127	127
Total noncurrent liabilities	<u>8,481</u>	<u>8,624</u>
Total liabilities	<u>40,882</u>	<u>54,738</u>
Net assets		
Shareholders' equity		
Capital stock	28,301	22,756
Capital surplus	22,622	17,167
Retained earnings	(48,454)	(48,197)
Treasury stock	(39)	(38)
Total shareholders' equity	<u>2,430</u>	<u>(8,312)</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7	6
Foreign currency translation adjustment	(861)	(777)
Total valuation and translation adjustments	<u>(853)</u>	<u>(770)</u>
Minority interests	<u>568</u>	<u>548</u>
Total net assets	<u>2,145</u>	<u>(8,534)</u>
Total liabilities and net assets	<u>43,027</u>	<u>46,203</u>

Consolidated Statements of Operations
Millions of yen

	Q1/FY2008	Q1/FY2009
	Apr'08-Jun'08	Apr'09-Jun'09
Net sales	22,468	15,148
Cost of sales	20,122	13,374
Gross profit	2,346	1,774
Selling, general and administrative expenses	2,587	1,805
Operating income (loss)	(241)	(31)
Non-operating income		
Interest income	14	5
Foreign exchange gains	521	28
Rent income	9	7
Other	91	58
Total non-operating income	636	98
Non-operating expenses		
Interest expenses	135	73
Stock issuance cost	-	53
Loss on retirement of noncurrent assets	6	3
Amortization of net retirement benefit obligation at transition	319	-
Other	83	95
Total non-operating expenses	545	226
Ordinary income (loss)	(150)	(159)
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	-	39
Gain on sales of noncurrent assets	84	-
Total extraordinary income	84	39
Extraordinary loss		
Business structure improvement expenses	-	51
Loss on valuation of inventories	79	-
Total extraordinary loss	79	51
Income (loss) before income taxes	(145)	(171)
Income taxes-current	101	64
Income taxes-deferred	80	7
Total income taxes	181	71
Minority interests in income	16	13
Net income (loss)	(343)	(256)

Consolidated Statements of Cash Flows
Millions of yen

	Q1/FY2008	Q1/FY2009
	Apr'08-Jun'08	Apr'09-Jun'09
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	(145)	(171)
Depreciation and amortization	852	531
Increase (decrease) in provision for retirement benefits	137	(59)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Interest and dividends income	(20)	(5)
Interest expenses	135	73
Foreign exchange losses (gains)	(58)	7
Stock issuance cost	-	53
Equity in (earnings) losses of affiliates	8	43
Loss (gain) on sales of property, plant and equipment	(78)	(3)
Loss on retirement of noncurrent assets	6	3
Loss (gain) on sales of stocks of subsidiaries and affiliates	-	(39)
Decrease (increase) in notes and accounts receivable-trade	1,538	70
Decrease (increase) in inventories	(547)	(399)
Increase (decrease) in notes and accounts payable-trade	(1,896)	105
Increase (decrease) in accrued expenses	(583)	(311)
Other, net	1,240	1,172
Subtotal	589	1,073
Interest and dividends income received	20	5
Interest expenses paid	(87)	(57)
Income taxes paid	(160)	(85)
Net cash provided by (used in) operating activities	361	936
Net cash provided by (used in) investment activities		
Payments into time deposits	(3)	(3)
Proceeds from withdrawal of time deposits	-	10
Purchase of property, plant and equipment	(658)	(312)
Proceeds from sales of property, plant and equipment	231	8
Purchase of intangible assets	(5)	(3)
Purchase of investment securities	(1)	(1)
Proceeds from sales of stocks of subsidiaries and affiliates	-	150
Other, net	(1)	(7)
Net cash provided by (used in) investment activities	(439)	(159)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,233	(13,225)
Repayment of long-term loans payable	(39)	(109)
Proceeds from issuance of common stock	-	10,999
Payments for issuance of common stock	-	(53)
Purchase of treasury stock	(0)	(0)
Cash dividends paid to minority shareholders	(3)	-
Repayments of finance lease obligations	(85)	(85)
Net cash provided by (used in) financing activities	1,103	(2,475)
Effect of exchange rate change on cash and cash equivalents	449	(26)
Net increase (decrease) in cash and cash equivalents	1,474	(1,724)
Cash and cash equivalents at beginning of year	7,217	7,504
Cash and cash equivalents at end of period	8,691	5,779

Consolidated business segment information

Millions of yen

Q1/FY2008 Apr'08-Jun'08

	Electronic materials	Batteries	Total	Elimination	Consolidated
Net sales					
Unaffiliated customers	16,463	6,005	22,468	-	22,468
Intersegment	-	-	-	-	-
Total	16,463	6,005	22,468	-	22,468
Operating income (loss)	(470)	228	(241)	-	(241)

Q1/FY2009 Apr'09-Jun'09

	Electronic materials	Batteries	Total	Elimination	Consolidated
Net sales					
Unaffiliated customers	10,056	5,092	15,148	-	15,148
Intersegment	-	-	-	-	-
Total	10,056	5,092	15,148	-	15,148
Operating income (loss)	(135)	103	(31)	-	(31)

Consolidated geographic segment information

Millions of yen

Q1/FY2008 Apr'08-Jun'08

	Japan	Asia	North America	Europe	Total	Elimination	Consolidated
Net sales							
Unaffiliated customers	11,487	9,994	385	601	22,468	-	22,468
Intersegment	2,702	5,056	-	16	7,775	(7,775)	-
Total	14,190	15,050	385	617	30,244	(7,775)	22,468
Operating income (loss)	(454)	314	8	(19)	(151)	(89)	(241)

Q1/FY2009 Apr'09-Jun'09

	Japan	Asia	North America	Europe	Total	Elimination	Consolidated
Net sales							
Unaffiliated customers	7,811	6,816	170	349	15,148	-	15,148
Intersegment	907	1,463	15	7	2,393	(2,393)	-
Total	8,719	8,279	186	356	17,541	(2,393)	15,148
Operating income (loss)	(128)	162	(6)	(1)	26	(57)	(31)

Net overseas sales by customer's geographic location

Millions of yen

Q1/FY2008 Apr'08-Jun'08

	Asia	North America	Other Countries	Total
Total sales to foreign customers	10,861	1,050	997	12,909
Consolidated net sales				22,468
Percentage of sales to foreign customers to consolidated net sales	48.4%	4.7%	4.4%	57.5%

Q1/FY2009 Apr'09-Jun'09

	Asia	North America	Other Countries	Total
Total sales to foreign customers	6,179	522	770	7,471
Consolidated net sales				15,148
Percentage of sales to foreign customers to consolidated net sales	40.8%	3.4%	5.1%	49.3%

Business Results

(1) Analysis of Consolidated Business Results

1. Overview

The business environment of the FDK Group (hereinafter called “FDK”) during the first quarter ended June 30, 2009 continued severe situation due to the worldwide recession from the second half of last year, though the recession has showed signs of bottomed out as stimulus measures were implemented by many countries.

Under these circumstances, FDK proceeded to focus its business areas to power and high frequency areas which are applied its competitive material technologies, consolidation of business bases, downsizing and thorough cost reductions.

As for FDK’s business results for the first quarter, net sales were 15,148 million yen, a decrease of 7,320 million yen from the same period last year due to the reduction of orders from world recession and the business transfer. Operating loss was 31 million yen, loss before income taxes was 171 million yen and net loss was 256 million yen. In the comparison with the fourth quarter of FY2008, the amount of net loss was considerably reduced by the effect of business structural reform.

(Reference)

	Net Sales	Operating Income(Loss)	Income(Loss) Before Income Taxes	Net Income(Loss)
	Million yen	Million yen	Million yen	Million yen
First qtr. in FY2008	22,468	(241)	(546)	(343)
Second qtr. in FY2008	23,911	306	(163)	(433)
Third qtr. in FY2008	17,320	(726)	(4,150)	(3,574)
Fourth qtr. in FY2008	14,774	(689)	(2,357)	(7,725)
First qtr. in FY2009	15,148	(31)	(171)	(256)

The divisional sales overview is as follows.

2. Electronic Device Business

Sales of multilayer power inductors were decreased from the same period last year due to the slumping market situation of mobile phones. Sales of coil devices decreased from the same period last year because of the rapid sales slowdown of transformers for the LCD televisions. Sales of optical devices also decreased from the same period last year due to the tough market situation in optical submarine cable. Sales of DC-DC converters were increased from the same period last year due to the increased in sales of POL (Point-of-Load) converters while its market condition remained very severe. Sales of coil devices increased from the same period last year due to the increased sales for cameras. Sales of signal processing boards for LCDs decreased greatly from the same period last year due to production adjustments made by the LCD panel manufacturers.

As a result, sales for the electronic device business were 10,056 million yen, a 38.9% decrease from the same period last year.

3. Battery Business

Sales of alkaline batteries, which are FDK’s core products in the battery business, decreased from the same period last year due to the sales decline in North America and Europe as these consumer spending was very sluggish from the worldwide recession, while we made some promotional activities for the “Fujitsu Alkaline Battery G. D. R Series” in Japan and some sales activities in the global market. Sales of lithium batteries, remained the same period last year.

As a result, sales for the battery business were 5,092 million yen, a 15.2% decrease from the same period last year.

4. Forecast for the Fiscal Year Ending March 31, 2010

In the first quarter ended June 30, 2009, FDK secured the forecasted amount of net sales under the very severe business environment. Regarding the profit and loss, the result was much improved than our forecast as our promotion of business structural reforms worked well. As for the second quarter and thereafter, we expect continuous improvement on the profit and loss by the business structural reforms. However, as it is very difficult to forecast the further market trend at this moment, we do not change the current forecast which announced on April 28, 2009.

If we need to change our consolidated forecasts by the effects from future market conditions, customer trend and/or the promotion of the business structural reforms, we will disclose the revised forecasts immediately. The exchange rate used in the forecast of consolidated results is 90 yen per US dollar.

	(% of change from previous year)									
	Net Sales		Operating Income		Net Income(Loss)		Net Income(Loss) Per share			
	Million yen	%	Million yen	%	Million yen	%	yen			
Six months ending September 30, 2009	31,500	(32.1)	100	53.8	(750)	-	(3.70)			
Year ending March 31, 2010	67,000	(14.6)	2,150	-	800	-	3.81			

(2) Analysis of Financial Condition

Cash Flow Condition

Net cash provided by operating activities increased 936 million yen from the end of the previous fiscal year by posting depreciation and amortization and an increase in notes and accounts payable trade, though some of the decrease in cash and cash equivalents resulted from posting loss before income taxes.

Net cash provided by investing activities decreased 159 million yen from the end of the previous fiscal year due to an increase in purchase of property, plants and equipment.

Net cash provided by financing activities decreased 2,475 million yen from the end of the previous fiscal year due to a net decrease in short-term loans payable, though there was some increase by the issuance of common stocks

As a result, the balance of cash and cash equivalents at the end of June 30, 2009 was 5,779 million yen, as a decrease of 1,724 million yen compared with the end of the previous fiscal year.