

April 26, 2019

FDK CORPORATION  
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**Announcement of Company Split (Absorption-type) and Transfer of New Company Shares**

FDK CORPORATION (“FDK”) made the resolution in board meeting today to transfer part of Ferrite, Coil device, Multi-layer Power Inductors, Ceramic products (Piezoelectric products) business (except the business related with the manufacturing and sales of these products managed by FDK overseas subsidiary. hereinafter “the said four (4) products business”) which are part of the Electronic Device Business of FDK to new company by company split (absorption-type) on July 1<sup>st</sup>, 2019 as an effective date. And FDK made the contract today to transfer all the shares of the said new company to Nagano Japan Radio Co., Ltd (“Nagano Japan Radio”).

Because the company split is an independent absorption-type split, part of the disclosure information is omitted in this announcement.

1. Purpose of the Company Split and share transfer

FDK Group has been aiming the increase of company value by providing service and value to customers by “One FDK” a “Smart Energy Manager” that globally contribute to society with technology that efficiently uses electric energy combining strengths of battery technology, circuit technology and power electronics technology. And regarding Component and Module business group in Electronic Device Business, FDK has been providing each solution based on emphasis on profit including the alliance with other company.

Nagano Japan Radio which is a group company of Nisshinbo Holdings Inc. is working on component business such as coils, transformers for xEV (Electric car) and aims to increase the business value by strengthening the basis and enhancing the products line-up more for market expansion of xEV in future.

Under these circumstances, FDK and Nagano Japan Radio have come to final agreement about the transfer of new company shares to Nagano Japan Radio.

Based on this final agreement, FDK transfers the said four products business to new company established by FDK, and Nagano Japan Radio purchases all of the new company shares and succeeds to the employees engaged in the business in FDK group and the related intellectual property right.

2. Outline of the Company Split and share transfer

(1) Schedule for the Company Split and share transfer

Date of resolution on the approval of the final agreement in board meeting	April 26 <sup>th</sup> , 2019
Date of conclusion of final agreement	April 26 <sup>th</sup> , 2019
Date of establishment of new company	Around middle of May, 2019 (scheduled)
Date of conclusion of contract of absorption-type company split	Around middle of May, 2019 (scheduled)
Effective date of the company split	July 1 <sup>st</sup> , 2019 (scheduled)
Date of the share transfer	July 1 <sup>st</sup> , 2019 (scheduled)

\* This company split is implemented without the approval of General Meeting of Shareholders as this is simple absorption-type split defined by Japanese Companies Act article 784 (2).

## (2) Method of the Company Split

The Company Split is a simple absorption-type company split, in which FDK is the split company and the rights and obligations of the said four (4) products business are transferred to the newly established company.

## (3) Details of allotment related to the Company Split

The new company will not allot the value through the company split.

## (4) Treatment of share acquisition rights associated with the Company Split

Not applicable.

## (5) Changes in capital as a result of the Company Split

The capital of FDK will not change as a result of the company split.

## (6) Rights and obligations transferred to the newly established company

The new company will succeed to the assets, liabilities, contracts, and rights and obligations attached to such assets, liabilities, and contracts involving the said four products business from FDK.

## (7) Outlook for performance of obligations

The Company judged that the obligations to be borne by FDK and the newly established company in this company split would be performed without difficulty.

## (8) Outline of Transfer of Shares

FDK will transfer all of the shares of the newly established company to Nagano Japan Radio on July 1<sup>st</sup>, 2019

## 3. Overview of the companies in the Company Split

	Split Company (As of March 31 <sup>st</sup> , 2019)	Newly established Company (Plan as of July 1 <sup>st</sup> , 2019)
(1) Company Name	FDK CORPORATION	Undecided
(2) Location	1-6-41 Konan, Minato-ku, Tokyo	1-6-41 Konan, Minato-ku, Tokyo (scheduled)
(3) Title and name of representative	Yoichi Ohashi, President & CEO	Kenji Kawasaki, President & CEO (scheduled)
(4) Business description	Manufacturing and Sales of batteries and electronic devices and components.	Manufacturing and Sales of electronic materials, magnetic materials (scheduled)
(5) Capital (As of March.,31 <sup>st</sup> ,2019)	31,709 million yen	Undecided
(6) Date of establishment	February 7 <sup>th</sup> , 1950	Undecided
(7) Number of shares outstanding	34,536,000	Undecided
(8) Fiscal year-end	March 31 <sup>st</sup>	December 31 <sup>st</sup> (scheduled)
(9) Major shareholders and respective shareholding ratios	FUJITSU LIMITED 58.76% BNYM SA/NV FOR BNYMFOR BNYM GCM CLIENT ACCTS MILM FE 1.83% FUJI ELECTRIC CO., LTD. 0.98%	FDK CORPORATION 100% (scheduled)
(10) Relationship between Split Company and Newly established Company		
Capital relationship	FDK will have 100% shares of newly established company on effective date of the absorption-type company split, but transfer all of the said shares to Nagano Japan	

	Radio on the same day.		
Personal relationship	Not applicable		
Business relationship	Not applicable		
<b>(11) Financial results of Split Company for three fiscal years</b>			
	FDK CORPORATION (Split Company (Consolidated basis))		
Fiscal year	FY2016	FY2017	FY2018
Net Assets (million yen)	4,638	4,293	10,280
Total Assets (million yen)	49,132	51,054	54,145
Net Assets Per Share (million yen)	140.03	153.15	297.79
Net Sales (million yen)	73,682	73,129	72,113
Operating Profit (million yen)	-330	666	823
Ordinary Profit (million yen)	-697	78	718
Profit attributable to owner of parent (million yen)	-3,166	-630	-290
Net Profit Per Share (yen)	-113.04	-22.53	-9.91

\* FDK implemented a share consolidation (10 to 1) effective October 1<sup>st</sup>, 2018.

FDK calculated Net Assets Per Share and Net Profit Per Share assuming that the share consolidation was implemented in the beginning of each consolidated fiscal year.

#### 4. Overview of the business division in the Split

##### (1) Business overview of the divisions in the split

Part of Ferrite, Coil device, Multi-layer Power Inductors, Ceramic products (Piezoelectric products) divisions in FDK Electronic Device business.

##### (2) Business Result of the divisions in the split

	Result for the said four (4) products division (a)	Result for FY2018 (Consolidated basis) (b)	Ratio(a/b)
Net Sales (million yen)	1,938	72,113	2.7%

##### (4) Items and Amount of Assets, Liabilities in the split (as of March 31<sup>st</sup>, 2019)

Assets		Liabilities	
Item	Book value (million yen)	Item	Book value (million yen)
Current Assets	Undecided	Current Liabilities	Undecided
Non-current Assets	Undecided	Non-current Liabilities	Undecided
Total	Undecided	Total	Undecided

##### (5) Status after the Company Split

	Split Company
(1) Company Name	FDK CORPORATION
(2) Location	1-6-41 Konan, Minato-ku, Tokyo
(3) Title and name of representative	Yoichi Ohashi, President & CEO
(4) Business description	Manufacturing and Sales of batteries and electronic devices and components.

(5) Capital	31,709 million yen
(6) Fiscal year-end	March 31 <sup>st</sup>

\* Company name, location, title and name of representative, capital and fiscal year-end of FDK will not change after the company split.

6. Profile of share acquiring company (as of December 31<sup>st</sup>, 2018)

(1) Company Name	Nagano Japan Radio Co., Ltd
(2) Location	1163 Inasato-machi, Nagano-Shi, Nagano 381-2288, Japan
(3) Title and name of representative	Toshihiko Fujisawa, President & Representative Director
(4) Date of establishment	October 1 <sup>st</sup> , 1949
(5) Capital (As of December 31 <sup>st</sup> ,2018)	3,649 million yen
(6) Number of employees (consolidated) (As of December 31st,2018)	1,562 (consolidated basis), 883 (non-consolidated basis)
(7) Major Business description	Solution/Special Equipment, Information & Communications/Power Supply Devices, Mechatronics
(8) Relationship with FDK	No capital relationship and No personal relationship

7. Number of transfer shares, transfer amount and number of shares held before and after transfer

(1) Number of shares held before transfer	Undecided (Ration of voting right: 100.0%)
(2) Number of transfer shares	Undecided
(3) Amount of transfer shares	Memorandum value (1 yen)
(4) Number of shares held after transfer	0 (Ration of voting right: 0%)

8. Future prospect

- (1) FDK and Nagano Japan Radio proceed with work to complete the transfer dated July 1<sup>st</sup>, 2019 (scheduled).
- (2) Regarding the impact to consolidated business result by this company split and transfer of shares, FDK included to the business forecast (consolidated basis) for the FY2019 announced today in Financial Results for FY2018. Please refer to the announcement report.
- FDK will promptly disclose any information in case recognized the major impact to business result in future.