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FDK CORPORATION

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Announcement of the Revised Financial Forecast, Extraordinary Income and Extraordinary Loss

Based on the recent business performance, FDK CORPORATION has revised the Company's financial forecast for the fiscal year ending March 31, 2024, which was announced on April 26, 2023.

In addition, FDK announces extraordinary income and loss to be counted into the financial forecast for the fiscal year ending March 31, 2024.

1. Revision of the financial forecast for FY2023 (from Apr. 1, 2023 to Mar. 31, 2024): consolidated basis

(Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Net Profit Per Share
April 26, 2023 (A)	65,000	500	400	100	2.90
March 27, 2024 (B)	63,000	500	600	100	2.90
Difference (B) - (A)	-2,000	0	200	0	
Rate of difference (%)	-3.1	0.0	50.0	0.0	
(Ref.): Financial Results of FY2022	62,784	789	851	318	9.22

2. Reasons for revision

Compared to the assumptions made in the financial forecast announced on April 26, 2023, net sales are expected to decrease due to a decrease sales of Nickel-metal hydride batteries in the battery business and Various modules in the electronic devices business. However, operating profit is expected to be in line with the assumption, as the impact of decrease sales will be offset by cost reductions and sales price revisions. Ordinary profit is expected to increase due to the addition of a favorable turnaround in non-operating income such as interest income and foreign exchange gains. Profit attributable to owners of parent is expected to be in line with the forecast due to extraordinary income and loss as described below.

As a result of the reasons above, FDK has decided to revise the consolidated financial forecast for the fiscal year ending March 31, 2024, which was announced on April 26, 2023, as shown above.

3. Extraordinary income (Gain on bargain purchase)

As announced in the "Announcement of Acquisition of Equity Interests (Conversion to Subsidiary) and Extraordinary Income" released on December 1, 2023 and "Notice of Completion of Acquisition of Equity Interests (Conversion to Subsidiary) (Progress Report)" released on March 1, 2024, FDK expects to record an extraordinary income of JPY 517 million as a gain on bargain purchase in the 4th quarter of the current consolidated fiscal year due to the acquisition of equity interest in BAOTOU FDK CO., LTD.

4. Extraordinary loss (Impairment losses)

The small all-solid-state SMD batteries ("All-solid-state batteries") that FDK have been developing and mass-producing have been evaluated to a certain degree by certain customers through sample deployment.

However, the conventional product specifications are not versatile enough to meet the performance requirements of many customers, and there is a high possibility that the initially anticipated profitability will not be achieved in the future.

Therefore, FDK have decided to shift our resources by concentrating development efforts on improving charging characteristics and higher capacity, etc., as highly versatile product specifications that can be expected to contribute to profits in the future. Reflecting this direction and reviewing our future plans, in accordance with the "Accounting Standard for Impairment of Fixed Assets", FDK has recognized impairment losses related to All-solid-state batteries. As a result, FDK has reduced the book value to the recoverable amount in the 4th quarter of the current consolidated fiscal year. FDK expect to record an impairment loss of

approximately JPY 600 million as an extraordinary loss.

(Remarks)

The information indicated above is calculated based on the information which is presently available and may contain some uncertain elements. Therefore, the actual results may differ greatly from the forecasts indicated in this release due to some changes in business conditions.