

Consolidated Financial Results for the Third Quarter Ended December 31, 2011
(April 1, 2011 to December 31, 2011)

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

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

Address : Hamagomu Bldg. 5-36-11 Shimbashi, Minato-ku, Tokyo 105-8677

Contact : Corporate Communication Office, General Affairs Dept.

E-mail: jun@fdk.co.jp

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

1. Consolidated Operating Results for the Nine-Months Ended December 31, 2011**a. Consolidated Results of Operations**

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31	Nine months ended Dec. 31	FY2010, ended Mar. 31,	Nine months ended Dec. 31
	2010	2011	2011	2011
Net Sales	72,724	61,304	94,431	\$788.68
Operating Income	4,274	27	4,396	\$0.35
Income(Loss) Before Income Taxes and Minority Interests	4,222	97	3,835	\$1.25
Net Income (Loss)	2,760	45	2,571	\$0.58
Amounts Per Share of Common Stock:				
Basic Earnings (Loss)	12.7 yen	0.2 yen	11.8 yen	0.3 cent
Diluted Earnings		-		

b. Net Sales by Business Segment

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31	Nine months ended Dec. 31	FY2010, ended Mar. 31,	Nine months ended Dec. 31
	2010	2011	2011	2011
Batteries	43,609	39,598	57,651	\$509.43
Electronic Devices	29,115	21,706	36,779	\$279.25
Total	72,724	61,304	94,431	\$788.68

c. Consolidated Financial Position

	Yen (millions)	
	As of Mar. 31,	As of Dec. 31,
	2011	2011
Total Assets	58,958	62,465
Total Net Assets	4,998	6,152
Shareholders' Equity	6,302	6,347
Shareholders' Equity Ratio	7.4 %	6.2 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Nine months ended Dec. 31	Nine months ended Dec. 31
	2010	2011
Cash Flows from Operating Activities	1,593	500
Cash Flows from Investing Activities	(1,517)	(813)
Cash Flows from Financing Activities	(1,233)	3,627
Cash and Cash Equivalents at End of Period	5,755	7,186
Consolidated Subsidiaries		16 companies
Unconsolidated Subsidiaries (equity method applied)		- companies
Affiliates (equity method applied only)		1 companies

-92.2

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 77.73 yen=\$1
3. The percentage in this statement presents rate of change compared with the same period last year.

2. Consolidated Financial Forecast for the fiscal year 2011 ending March 31, 2012

	(Million of yen, except per share data)		
	FY2011	Change from FY2010	FY2010
Net Sales	¥86,500	(8.4) %	¥94,431
Operating Income	¥500	(88.6) %	¥4,396
Net Income	¥200	(92.2) %	¥2,571
Net Income per Share	0.92 yen	(92.2) %	11.83 yen

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of October 25, 2011.

3. Others

- (1) Changes in significant subsidiaries during the period: Yes
- (2) Adoption of special accounting methods for presenting quarterly consolidated financial statements: No
- (3) Changes of accounting policies applied, changes in accounting estimates and retrospective restatement: No
 - 1) Changes resulting from revisions in accounting principles, etc.: No
 - 2) Other changes: No
- (4) Number of shares outstanding (common stock)
 - 1) Number of shares outstanding at the end of period (including treasury stocks).
December 31, 2011 : 217,505,884 shares March 31, 2011: 217,505,884 shares
 - 2) Number of treasury shares at the end of period
December 31, 2011 : 229,756 shares March 31, 2011: 226,920 shares
 - 3) Weighted average number of shares outstanding over period.
Nine months ended Dec. 31, 2011 : 217,277,550 shares Nine month ended Dec. 31, 2010: 217,284,904 shares

(Information regarding the implement of quarterly review procedure)

These quarterly results are not subject to quarterly review procedures. Thus, at the time of disclosure of these financial results, the quarterly consolidated financial statement review procedures based on the Financial Instruments and Exchange Law, are in progress.

Consolidated Balance Sheets

Millions of yen

	FY2010 Mar 31, 2011	Q3/FY2011 Dec 31, 2011
Assets		
Current assets		
Cash and deposits	4,163	7,498
Notes and accounts receivable-trade	21,690	20,453
Merchandise and finished goods	3,226	3,626
Work in process	3,068	3,800
Raw materials and supplies	1,513	1,819
Deferred tax assets	179	138
Other	1,584	2,411
Allowance for doubtful accounts	(60)	(48)
Total current assets	<u>35,366</u>	<u>39,699</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,879	7,527
Machinery, equipment and vehicles, net	7,999	7,626
Tools, furniture and fixtures, net	659	771
Land	3,493	3,392
Lease assets, net	440	497
Construction in progress	367	423
Total property, plant and equipment	<u>20,841</u>	<u>20,238</u>
Intangible assets	<u>908</u>	<u>832</u>
Investments and other assets		
Investment securities	131	140
Long-term loans receivable	8	4
Deferred tax assets	228	214
Other	1,473	1,336
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>1,841</u>	<u>1,696</u>
Total non-current assets	<u>23,591</u>	<u>22,766</u>
Total assets	<u>58,958</u>	<u>62,465</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,739	17,704
Short-term loans payable	19,650	23,423
Lease obligations	263	300
Accounts payable-other	1,935	2,091
Income taxes payable	415	163
Provision for loss on disaster	322	156
Other	3,495	2,066
Total current liabilities	<u>42,823</u>	<u>45,907</u>
Non-current liabilities		
Lease obligations	496	455
Deferred tax liabilities	1	2
Provision for retirement benefits	7,449	7,319
Negative goodwill	2,846	2,277
Other	342	350
Total non-current liabilities	<u>11,136</u>	<u>10,405</u>
Total liabilities	<u>53,959</u>	<u>56,313</u>
Net assets		
Shareholders' equity		
Capital stock	28,301	28,301
Capital surplus	22,622	22,622
Retained earnings	(44,580)	(44,534)
Treasury stock	(41)	(41)
Total shareholders' equity	<u>6,302</u>	<u>6,347</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	7
Foreign currency translation adjustment	(1,916)	(2,503)
Total accumulated other comprehensive income	<u>(1,912)</u>	<u>(2,496)</u>
Minority interests	<u>608</u>	<u>2,301</u>
Total net assets	<u>4,998</u>	<u>6,152</u>
Total liabilities and net assets	<u>58,958</u>	<u>62,465</u>

Consolidated Statements of Income
Millions of yen

	Q3/FY2010	Q3/FY2011
	Apr'10-Dec'10	Apr'11-Dec'11
Net sales	72,724	61,304
Cost of sales	59,882	53,501
Gross profit	12,841	7,803
Selling, general and administrative expenses	8,566	7,775
Operating income	4,274	27
Non-operating income		
Interest income	14	15
Amortization of negative goodwill	569	569
Rent income	24	13
Other	141	188
Total non-operating income	748	786
Non-operating expenses		
Interest expenses	180	118
Foreign exchange losses	691	523
Loss on retirement of non-current assets	133	186
Other	148	196
Total non-operating expenses	1,153	1,024
Ordinary income (loss)	3,869	(210)
Extraordinary income		
Reversal of provision for compensation for damage	-	117
Reversal of provision for loss on disaster	-	105
Gain on sales of land	-	85
Gain on liquidation of subsidiaries and affiliates	423	-
Subsidy	219	-
Gain on donation of noncurrent assets	117	-
Total extraordinary income	759	307
Extraordinary loss		
Loss on retirement of noncurrent assets	174	-
Loss on change of contract	143	-
Other	88	-
Total extraordinary loss	406	-
Income before income taxes	4,222	97
Income taxes-current	873	147
Income taxes-deferred	572	52
Total income taxes	1,445	199
Income (loss) before minority interests	2,777	(101)
Minority interests in income	17	(147)
Net income	2,760	45

Consolidated Statements of Comprehensive Income
Millions of yen

	Q3/FY2010	Q3/FY2011
	Apr'10-Dec'10	Apr'11-Dec'11
Income (loss) before minority interests	<u>2,777</u>	<u>(101)</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	4
Deferred gains or losses on hedges	45	-
Foreign currency translation adjustment	(1,113)	(561)
Share of other comprehensive income of associates accounted for using equity method	(113)	(33)
Other comprehensive income	<u>(1,182)</u>	<u>(590)</u>
Comprehensive income	<u>1,594</u>	<u>(691)</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	<u>1,587</u>	<u>(538)</u>
Comprehensive income attributable to minority interests	<u>7</u>	<u>(153)</u>

Consolidated Statements of Cash Flows
Millions of yen

	Q3/FY2010 Apr'10-Dec'10	Q3/FY2011 Apr'11-Dec'11
Net cash provided by (used in) operating activities		
Income before income taxes	4,222	97
Depreciation and amortization	2,722	2,632
Gain on liquidation of subsidiaries and affiliates	(423)	-
Subsidy income	(219)	-
Gain on donation of noncurrent assets	(117)	-
Loss on change of contract	143	-
Equity in (earnings) losses of affiliates	29	79
Increase (decrease) in provision for retirement benefits	(184)	(129)
Increase (decrease) in allowance for doubtful accounts	(45)	(7)
Interest and dividends income	(15)	(44)
Interest expenses	180	118
Foreign exchange losses (gains)	28	12
Loss (gain) on sales of property, plant and equipment	(4)	(83)
Loss on retirement of non-current assets	307	186
Amortization of negative goodwill	(569)	(569)
Decrease (increase) in notes and accounts receivable-trade	(1,859)	521
Decrease (increase) in inventories	(2,641)	(1,708)
Increase (decrease) in notes and accounts payable-trade	1,711	1,837
Increase (decrease) in accrued expenses	(448)	(1,108)
Other, net	(633)	(822)
Subtotal	2,184	1,009
Interest and dividends income received	15	44
Proceeds from subsidy	219	-
Interest expenses paid	(170)	(159)
Income taxes paid	(655)	(394)
Net cash provided by (used in) operating activities	1,593	500
Net cash provided by (used in) investing activities		
Payments into time deposits	(11)	(309)
Proceeds from withdrawal of time deposits	3	3
Purchase of property, plant and equipment	(1,550)	(2,442)
Proceeds from sales of property, plant and equipment	507	129
Purchase of intangible assets	(373)	(41)
Purchase of investment securities	(23)	(2)
Proceeds from sales of investment securities	16	-
Proceeds from sales of stocks of subsidiaries and affiliates	-	1,846
Other, net	(86)	3
Net cash provided by (used in) investing activities	(1,517)	(813)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(696)	3,845
Repayment of long-term loans payable	(357)	-
Purchase of treasury stock	(0)	(0)
Repayments of finance lease obligations	(178)	(216)
Net cash provided by (used in) financing activities	(1,233)	3,627
Effect of exchange rate change on cash and cash equivalents	(498)	(285)
Net increase (decrease) in cash and cash equivalents	(1,656)	3,029
Cash and cash equivalents at beginning of period	7,411	4,156
Cash and cash equivalents at end of period	5,755	7,186

Consolidated Business Segment Information

Millions of yen

Q3/FY2010 Apr'10-Dec'10

	<u>Business Segments Reported</u>		<u>Total</u>	<u>Ajustments</u>	<u>Consolidated Statements</u>
	<u>Batteries</u>	<u>Electronic Materials</u>			
Net sales					
Unaffiliated customers	43,609	29,115	72,724	-	72,724
Intersegment	-	-	-	-	-
Total	<u>43,609</u>	<u>29,115</u>	<u>72,724</u>	<u>-</u>	<u>72,724</u>
Segment income	<u>3,608</u>	<u>666</u>	<u>4,274</u>	<u>-</u>	<u>4,274</u>

Q3/FY2011 Apr'11-Dec'11

	<u>Business Segments Reported</u>		<u>Total</u>	<u>Ajustments</u>	<u>Consolidated Statements</u>
	<u>Batteries</u>	<u>Electronic Materials</u>			
Net sales					
Unaffiliated customers	39,598	21,706	61,304	-	61,304
Intersegment	-	-	-	-	-
Total	<u>39,598</u>	<u>21,706</u>	<u>61,304</u>	<u>-</u>	<u>61,304</u>
Segment income	<u>(136)</u>	<u>164</u>	<u>27</u>	<u>-</u>	<u>27</u>

Business Results

1. Analysis of Consolidated Business Results

(1) Overview

On the business environment of the FDK Group (hereinafter called "FDK") for the first three quarters (nine-months) of FY2011, the world economy remained in severe condition due to the high appreciation of yen from the international turmoil triggered by the European debt crisis and also the severe effect of flooding to the productions in Thailand and so on.

As for FDK's business results for the nine months, net sales were 61,304 million yen, a substantial decrease of 11,419 million yen from the same period last year. This large decrease was mostly due to the decreased orders for signal processing modules for LCDs.

As for profits, operating income was 27 million yen, decreased 4,247 million yen from the same period last year. The decrease was a result of the rising material costs for batteries such as rare earth and the appreciation of yen. Income before income taxes fell to 97 million yen, due to the post of foreign exchange losses from the appreciation of yen though reversal of provision for compensation for damage was posted. Net income was 45 million yen.

The divisional sales overview is as follows.

(2) Battery Business

Alkaline batteries have been recognized again as an emergency power source required in case of power outage by the Great East Japan Earthquake of March 11 and FDK had implemented aggressive sales activities in every direction. However, sales of alkaline batteries were the same as the same period last year since a lot of batteries had been imported from abroad, the demand for them to the year-end shopping season was sluggish. Sales of Ni-MH batteries decreased from the same period last year due to the downturn of the market condition in North America and Europe. Sales of lithium batteries decreased from the same period last year as the demand for disaster prevention tools, mobile phones and laptop computers were declined.

As a result, sales for the battery business were 39,598 million yen, a decrease of 4,011 million yen from the same period last year.

(3) Electronic Device Business

Sales of signal processing modules for LCDs largely decreased from the same period last year due to a decrease of sales prices and of orders for LCD TVs while there were over production of the LCD panels in the world market. Sales of coil devices also decreased from the same period last year due to the decrease in these market needs for LCD TVs and these manufacturers decided to reduce production and to reduce of investment for industrial machinery in China. Sales of piezoelectric components decreased from the same period last year due to the flooding in Thailand. Sales of toner increased from the same period last year due to an expanded demand for printers. Sales of switching power supplies decreased from the same period last year due to the decline in the demand for servers.

As a result, sales for the electronic device business were 21,706 million yen, a decrease of 7,408 million yen from the same period last year.

2. Analysis of Financial Condition

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the nine months in FY2011 increased 3,507 million yen (5.9%) from the end of the previous fiscal year to 62,465 million yen. Current assets increased 4,333 million yen (12.3%) to 39,699 million yen. Non-current assets decreased 825 million yen (-3.5%) to 22,766 million yen.

The principal causes for increased current assets were a 3,335 million yen increase in cash and deposit and a 731 million yen increase in work in process though there was a 1,237 million yen decrease in notes and accounts receivable trade.

The principal cause for decreased non-current assets was a 603 million yen decrease in total property, plant and equipment.

Total liabilities at the end of the nine months in FY2011 increased 2,353 (4.4%) million yen from the end of the previous fiscal year to 56,313 million yen. Current liabilities increased 3,084 million yen (7.2%) from the end of the previous fiscal year to 45,907 million yen. Non-current liabilities decreased 730 million yen (-6.6%) from the end of the previous fiscal year to 10,405 million yen.

The principal causes of increased current liabilities were a 3,773 million yen increase in short-term loans payable and a 965 million yen increase in notes and accounts payable-trade. The principal cause for decreased non-current liabilities was a 569 million yen decrease in negative goodwill.

The interest-bearing debt increased 3,769 million yen from the end of the previous fiscal year to 24,180 million yen.

Total net assets at the end of the nine months in FY2011 increased 1,153 million yen (23.1%) from the end of the previous fiscal year to 6,152 million yen. The principal causes for the increase in total net assets were a 1,692 million yen increase in minority interests and a 45 million yen increase in retained earnings by posting a net income for nine months in FY2011, though there was a 587 million yen decrease in foreign currency translation adjustment.

(2) Cash Flow Condition

Net cash used in operating activities for the nine months ended December 31, 2011 increased 500 million yen from the beginning of the fiscal year due to the increase in cash and cash equivalents (cash) that resulted from posting depreciation and amortization and increase in notes and accounts payable trade, though there was a decrease in cash due to increase in inventories and decrease in accrued expenses.

Net cash used in investment activities decreased 813 million yen from the beginning of the fiscal year due to the decrease in cash that resulted from the purchase of property, plants, equipment and intangible assets though there was an increase in cash due to proceeds from sales of stocks of subsidiaries and affiliates.

Net cash used in financing activities increased 3,627 million yen from the beginning of the fiscal year due to the increase in short-term loans payable.

As a result, the balance of the cash at the end of December 31, 2011 was 7,186 million yen, an increase of 3,029 million yen from the beginning of the fiscal year.

3. Forecast for the Full Fiscal Year Ending March 31, 2012

FDK has not changed its business forecast, which was announced on October 25, 2011. We will announce the revised forecast promptly if it will be needed in the future, by doing our best to collect various information including market trends.