

Consolidated Financial Results for the First Quarter Ended June 30, 2013
(April 1, 2013 to June 30, 2013)

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

E-mail: hirano@fdk.co.jp

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

1. Consolidated Results for the Three-Months Period Ended June 30, 2013

a. Consolidated Statements of Income

	Yen (millions)			Change (%)	U.S.Dollars
	Three months ended June 30,	Three months ended June 30,			(millions)
	2012	2013			Three months ended June 30 2013
Net Sales	16,509	18,894	14.4 %		\$191.56
Operating Income(loss)	(893)	320	-		\$3.24
Ordinary Income(loss)	(993)	420	-		\$4.26
Net Income (loss)	(790)	451	-		\$4.57

Amounts Per Share of Common Stock:

Basic Earnings	(3.64) yen	2.08 yen	-	2.0 cent
Diluted Earnings	- yen	1.62 yen	-	1.6 cent

b. Consolidated Financial Position

	Yen (millions)	
	As of June 30,	As of June 30,
	2012	2013
Total Assets	58,720	59,317
Total Net Assets	8,150	8,225
Shareholders' Equity	7,114	7,565
Shareholders' Equity Ratio	11.1%	12.8%
Shareholders' Equity Per Share	(15.56) yen	(34.64) yen

c. Consolidated Statements of Cash Flows

	Yen (millions)	
	Three months ended June 30,	Three months ended June 30,
	2012	2013
Net cash used in operating activities	(748)	1,032
Net cash used in investing activities	(708)	(1,645)
Net cash used in financing activities	1,379	719
Cash and cash equivalents at end of period	5,624	5,132

Consolidated Subsidiaries	16 companies
Unconsolidated Subsidiaries (equity method applied)	3 companies
Affiliates (equity method applied only)	2 companies

d. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30, 2012	Three months ended June 30, 2013	Three months ended June 30, 2013
Batteries	10,090	10,852	\$110.03
Electronic Devices	6,418	8,042	\$81.54
Total	16,509	18,894	\$191.56

(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=98.63 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, 2014

(Million of yen, except per share data)

	FY2013	Change from FY2012 (%)
Net Sales	80,000	8.8 %
Operating Income	2,200	- %
Ordinary Income	1,900	989.2
Net Income	1,000	120.6 %
Net Income per Share	4.60 yen	-

3. Others

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

Excluding 1 company: Asahi Kasei FDK Energy Device Co., Ltd.

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

- 1) Changes resulting from revisions in accounting principles, etc.: No.
- 2) Other changes: No.

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding at the end of period. (including treasury shares)

June 30, 2013: 217,505,884 shares March 31, 2013: 217,505,884 shares

- 2) Number of treasury shares at the end of period

June 30, 2013: 234,246 shares March 31, 2013: 233,228 shares

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

June 30, 2013: 217,271,917 shares June 30, 2012: 217,275,837 shares

Consolidated Balance Sheets

Millions of yen

	FY2012 Mar 31, 2013	Q1/FY2013 Jun 30, 2013
Assets		
Current assets		
Cash and deposits	5,307	5,132
Notes and accounts receivable-trade	20,704	20,995
Merchandise and finished goods	2,386	2,841
Work in process	2,937	3,089
Raw materials and supplies	1,677	1,856
Deferred tax assets	132	136
Other	1,669	1,836
Allowance for doubtful accounts	(55)	(58)
Total current assets	34,761	35,828
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,038	7,717
Machinery, equipment and vehicles, net	6,550	5,208
Tools, furniture and fixtures, net	884	747
Land	3,437	3,449
Lease assets, net	1,238	1,402
Construction in progress	1,226	608
Total property, plant and equipment	21,376	19,134
Intangible assets	778	764
Investments and other assets		
Investment securities	161	1,928
Long-term loans receivable	1	1
Deferred tax assets	218	215
Other	1,422	1,443
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,804	3,588
Total non-current assets	23,959	23,488
Total assets	58,720	59,317
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,565	15,917
Short-term loans payable	21,279	22,122
Lease obligations	363	414
Accounts payable-other	1,254	1,302
Income taxes payable	243	111
Provision for loss on disaster	137	131
Other	2,569	2,283
Total current liabilities	41,414	42,284
Non-current liabilities		
Lease obligations	1,091	1,188
Deferred tax liabilities	3	4
Provision for retirement benefits	6,313	6,110
Negative goodwill	1,328	1,138
Other	419	364
Total non-current liabilities	9,156	8,806
Total liabilities	50,570	51,091
Net assets		
Shareholders' equity		
Capital stock	28,301	28,301
Capital surplus	22,622	22,622
Retained earnings	(43,767)	(43,316)
Treasury stock	(42)	(42)
Total shareholders' equity	7,114	7,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18	21
Foreign currency translation adjustment	(609)	31
Total accumulated other comprehensive income	(591)	53
Minority interests	1,628	606
Total net assets	8,150	8,225
Total liabilities and net assets	58,720	59,317

Consolidated Statements of Income
Millions of yen

	Q1/FY2012	Q1/FY2013
	Apr'12-Jun'12	Apr'13-Jun'13
Net sales	16,509	18,894
Cost of sales	14,730	15,941
Gross profit	1,778	2,953
Selling, general and administrative expenses	2,672	2,633
Operating income (loss)	(893)	320
Non-operating income		
Interest income	4	2
Foreign exchange gains	-	170
Amortization of negative goodwill	189	189
Rent income	5	49
Other	22	23
Total non-operating income	222	435
Non-operating expenses		
Interest expenses	38	35
Foreign exchange losses	227	-
Equity in losses of affiliates	17	242
Loss on retirement of non-current assets	8	8
Other	28	49
Total non-operating expenses	321	335
Ordinary income (loss)	(993)	420
Extraordinary income		
Subsidy income	-	83
Total extraordinary income	-	83
Income (loss) before income taxes	(993)	503
Income taxes-current	33	66
Income taxes-deferred	(43)	(9)
Total income taxes	(9)	57
Income (loss) before minority interests	(983)	445
Minority interests in loss	(192)	(5)
Net income (loss)	(790)	451

Consolidated Statements of comprehensive income
Millions of yen

	Q1/FY2012	Q1/FY2013
	Apr'12-Jun'12	Apr'13-Jun'13
	<hr/>	<hr/>
Income (loss) before minority interests	(983)	445
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	4
Foreign currency translation adjustment	(388)	574
Share of other comprehensive income of associates accounted for using equity method	(47)	68
Other comprehensive income	(437)	647
Comprehensive income	<hr/> (1,420) <hr/>	<hr/> 1,093 <hr/>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(1,225)	1,097
Comprehensive income attributable to minority interests	(195)	(3)
	<hr/>	<hr/>

Consolidated Statements of Cash Flows
Millions of yen

	Q1/FY2012	Q1/FY2013
	Apr'12-Jun'12	Apr'13-Jun'13
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	(993)	503
Depreciation and amortization	719	680
Subsidy income	-	(83)
Increase (decrease) in provision for retirement benefits	(125)	(202)
Increase (decrease) in allowance for doubtful accounts	(5)	0
Interest and dividends income	(5)	(3)
Interest expenses	38	35
Foreign exchange losses (gains)	6	(6)
Equity in (earnings) losses of affiliates	17	242
Loss (gain) on sales of property, plant and equipment	(0)	(1)
Loss on retirement of non-current assets	8	8
Amortization of negative goodwill	(189)	(189)
Decrease (increase) in notes and accounts receivable-trade	265	469
Decrease (increase) in inventories	(1,476)	(701)
Increase (decrease) in notes and accounts payable-trade	392	(340)
Increase (decrease) in accrued expenses	179	69
Other, net	539	739
Subtotal	(628)	1,219
Interest and dividends income received	5	3
Proceeds from subsidy income	-	83
Interest expenses paid	(38)	(35)
Income taxes paid	(87)	(238)
Net cash provided by (used in) operating activities	(748)	1,032
Net cash provided by (used in) investing activities		
Payments into time deposits	(3)	(0)
Proceeds from withdrawal of time deposits	300	10
Purchase of property, plant and equipment	(977)	(838)
Proceeds from sales of property, plant and equipment	4	92
Purchase of intangible assets	(20)	(21)
Purchase of investment securities	(20)	(0)
Purchase of stocks of subsidiaries and affiliates	-	(888)
Other, net	9	1
Net cash provided by (used in) investing activities	(708)	(1,645)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,454	807
Purchase of treasury stock	(0)	(0)
Proceeds from stock issuance to minority shareholders	-	6
Repayments of finance lease obligations	(75)	(94)
Net cash provided by (used in) financing activities	1,379	719
Effect of exchange rate change on cash and cash equivalents	(173)	260
Net increase (decrease) in cash and cash equivalents	(251)	367
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(532)
Cash and cash equivalents at beginning of period	5,875	5,297
Cash and cash equivalents at end of period	5,624	5,132

Consolidated Business Segment Information
Millions of yen

Q1/FY2012 Apr'12-Jun'12

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	10,090	6,418	16,509	-	16,509
Intersegment	-	-	-	-	-
Total	10,090	6,418	16,509	-	16,509
Segment income (loss)	(1,016)	123	(893)	-	(893)

Q1/FY2013 Apr'13-Jun'13

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	10,852	8,042	18,894	-	18,894
Intersegment	-	-	-	-	-
Total	10,852	8,042	18,894	-	18,894
Segment income	5	314	320	-	320

Business Results

(1) Analysis of Consolidated Business Results

1.1 Overview

The business environment of the FDK Group (hereinafter called "FDK") during the first quarter ended June 30, 2013 remained unclear condition due to the anticipation of slowing economy in emerging countries, though there were signs of bright economic recovery and rising stock prices along with the weaker yen from the expectations for the economic growth through various policy under the new administration.

Under these circumstances, FDK developed the new midterm business plan, starting from April 1, 2013 (FY2013 to 2015) and worked on several measures to lower the break-even point. In order to solidify the revenue base of the existing battery business and electronic device business, and maximize to create synergy effects of technologies, FDK made best effort to reduce material costs through the review of materials of all products, to review of commercial distribution, improve productivity, to reduce fixed costs by the thorough elimination of waste.

As for sales for the first quarter, net sales were 18,894 million yen, increased 2,385 million yen from the same period last year. Sales expansion of Ni-MH batteries in global markets and signal processing modules for tablet terminals and large LCD televisions contributes the net sales increase.

With regard to profit and loss, operating income was 320 million yen improved 1,213 million yen from the same period last year. It can be achieved by the cost cut efforts continued from the last year and the beneficiaries of cheap yen. Ordinary income was 420 million yen, improved 1,413 million yen from the same period last year. Net income was 451 million yen, improved 1,242 million yen from the same period last year.

Ref: Quarterly Consolidated Financial Results

(Million yen)

	Net Sales	Sales cost ratio (%)	Operating Income	Ordinary Income	Net Income
FY2012 1Q	16,509	89.2	-893	-993	-790
FY2012 2Q	18,600	89.5	-733	-730	-775
FY2012 3Q	18,530	84.8	351	874	872
FY2012 4Q	19,907	83.7	748	1,023	1,146

FY2013 1Q	18,894	84.4	320	420	451
Compared to the same period last year	+2,385	-4.8	+1,213	+1,413	+1,242

The divisional sales overview is as follows.

1.2 Battery Business

Sales of alkaline batteries increased from the same period last year as sales for global market were increased, though consumer markets in Japan became very competitive by the circulation of low price imported batteries after the Great East Japan Earthquakes and downturn in market conditions. Sales of Ni-MH batteries fairly increased from the same period last year due to increase in sales for global consumer market and industrial market of Japan. Sales of lithium batteries increased from the same period last year due to increase in sales for disaster-related goods and security goods.

As a result, sales for the battery business were 10,852 million yen, increased 761 million yen from the same period last year.

1.3. Electronic Device Business

Sales of ferrite cores for coil devices decreased from the same period last year. Although sales for hybrid cars steadily increased with the development of high performance ferrite at Sanyo Plant, sales for home appliances much decreased. Sales of ceramic parts and toner unchanged from the same period last year by continuously receiving many orders. Sales of dc-dc converters (voltage converters) increased from the same period last year, steadily sold for servers and storages. Sales of mobile modules and high frequency devices steadily increased from the same period last year due to the sales expansion for smartphones. Sales of signal processing modules for LCDs did well especially for tablet terminals and large LCD televisions and thus they increased from the same period last year.

As a result, sales for the electronic device business were 8,042 million yen, increased 1,623 million yen from the same period last year.

2. Forecast for the Fiscal Year Ending March 31, 2014

FDK has not changed its business forecast announced on April 26, 2013. We will announce the revision promptly if it will be needed in the future, by doing our best to collect various information including market trends.