## Consolidated Financial Results for the First Quarter Ended June 30, 2014 (April 1, 2014 to June 30, 2014)

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

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

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

## 1. Consolidated Results for the Three-Months Period Ended June 30, 2014

## a. Consolidated Statements of Income

		Yen		Yen	U.S.Dollars
		(millions)		(millions)	(millions)
	Three months	Three months		FY2013,	Three months
	ended June 30,	ended June 30,		ended Mar. 31,	ended June 30,
	2013	2014	Change (%)	2014	2014
Net Sales	18,894	16,614	(12.1)	76,624	\$164.01
Operating Income	320	24	(92.4)	1,448	\$0.24
Ordinary Income (Loss)	420	(127)	-	1,471	(\$1.25)
Net Income	451	23	(94.9)	1,060	\$0.23

## **Amounts Per Share of Common Stock:**

Basic Earnings (Loss)	2.08 yen	0.08 yen	4.48 yen	0.08 cent
Diluted Earnings	1.62 yen	- yen	- yen	- cent

## b. Net Sales by Business Segment

	Yen	Yen	Yen	U.S.Dollars
	(millions)	(millions)	(millions)	(millions)
	Three months	Three months	FY2013,	Three months
	ended June 30,	ended June 30,	ended Mar. 31,	ended June 30
	2013	2014	2014	2014
Batteries	10,852	10,936	45,671	\$107.96
<b>Electronic Devices</b>	8,042	5,678	27,876	\$56.05
Total	18,894	16,614	73,547	\$164.01

## c. Consolidated Financial Position

	Yei (millio	
	As of June 30,	As of June 30,
	2013	2014
<b>Total Assets</b>	59,317	54,440
<b>Total Net Assets</b>	8,225	6,548
Shareholders' Equity	7,565	8,032
Shareholders' Equity Ratio	12.8 %	10.9 %

#### d. Consolidated Statements of Cash Flows

	1011				
	(mi	llions)			
	Three months	Three months			
	ended June 30, ended June				
	2013	2014			
Cash Flows from	1,032	512			
<b>Operating Activities</b>					
Cash Flows from	(1,645)	(197)			
Investing Activities					
Cash Flows from	719	(125)			
Financing Activities					
Cash and Cash Equivalents	5,132	5,157			
at End of Period					

(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 101.30 yen=\$1

Yen

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 2014 ending March. 31, 2015

(Million of yen, except per share data)

_	FY2014	Change from FY2013	FY2013
Net Sales (Loss)	82,000	7.0 %	76,624
Operating Income (Loss)	2,500	72.6	1,448
Ordinary Income	1,600	8.8 %	1,471
Net Income	1,200	13.1 %	1,060
Net Income per Share	4.28 yen		4.88 yen

Note for the use of the above forecasted business results.

The financial forecast described above is based upon information available as of April 25, 2014.

## 3. Others

#### (1) Changes in material subsidiaries during the period: No

Consolidated Subsidiaries16 companiesUnconsolidated Subsidiaries (equity method applied)3 companiesAffiliates (equity method applied only)2 companies

- (2) Adoption of accounting procedures specific to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatements
  - 1) Changes in accounting policies due to the amendment of accounting standards: Yes
  - 2) Other changes in accounting policies: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement: No

## (4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of periods.

June 30, 2014: 280,363,026 shares March 31, 2014: 280,363,026 shares

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

June 30, 2014: 243,679 shares March 31, 2014: 241,366 shares

3) Weighted average number of shares outstanding in each period.

# **Consolidated Balance Sheets Millions of yen**

	FY2013 Mar 31, 2014	Q1/FY2014 Jun 30, 2014	
Assets		001100,2011	
Current assets			
Cash and deposits	5,029	5,157	
Notes and accounts receivable-trade	18,726	16,470	
Merchandise and finished goods	2,226 2,952	2,892 2,957	
Work in process Raw materials and supplies	1,906	2,119	
Deferred tax assets	244	251	
Other	1,627	2,191	
Allowance for doubtful accounts	(61)	(99)	
Total current assets	32,651	31,939	
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	7,486	7,550	
Machinery, equipment and vehicles, net	4,994	4,901	
Tools, furniture and fixtures, net	855	859	
Land	2,557	2,660	
Lease assets, net	1,225 568	1,491 366	
Construction in progress  Total property, plant and equipment	17,687	17,828	
Intangible assets	677	638	
Investments and other assets		030	
Investment securities	1,910	1,701	
Long-term loans receivable	1	1	
Net defined benefit asset	785	774	
Deferred tax assets	224	251	
Other	1,356	1,305	
Allowance for doubtful accounts	(0)	(0)	
Total investments and other assets	4,278	4,034	
Total non-current assets	22,642	22,500	
Total assets	55,294	54,440	
Liabilities			
Current liabilities			
Notes and accounts payable-trade	13,224	13,108	
Short-term loans payable	19,510	19,500	
Lease obligations	386	368	
Accounts payable-other	2,156	2,211	
Income taxes payable	252	72	
Other Total current liabilities	2,875 38,405	2,269 37,530	
Non-current liabilities		37,330	
Lease obligations	1,002	1,219	
Deferred tax liabilities	289	293	
Net defined benefit liability	4,274	4,417	
Negative goodwill	569	379	
Long-term accounts payable - other	3,929	3,748	
Other	316	304	
Total non-current liabilities	10,380	10,362	
Total liabilities	48,786	47,892	
Net assets			
Shareholders' equity			
Capital stock	28,301	28,301	
Capital surplus	22,622	22,622	
Retained earnings	(42,706)	(42,848)	
Treasury stock	(42) 8,174	(43) 8,032	
Total shareholders' equity		8,032	
Accumulated other comprehensive income  Valuation difference on available-for-sale securities	26	32	
	341	500	
Foreign currency translation adjustment Remeasurements of defined benefit plans	(2,658)	(2,657)	
Total accumulated other comprehensive income	$\frac{(2,036)}{(2,290)}$	(2,125)	
Minority interests	624	641	
Total net assets	6,508	6,548	
Total liabilities and net assets	55,294	54,440	
1 year maximum and not assets	33,294	34,440	

## Consolidated Statements of Income Millions of yen

Net sales         18.894         16.614           Cot of sales         15.941         13.090           Gross profit         2,953         2,705           Selling, general and administrative expenses         2,033         2,880           Operating income (loss)         320         2           Non-operating income         2         8           Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating expenses         35         38           Non-operating expenses         35         31           Interest expenses         35         40           Foreign exchange losses         3         47           Foreign exchange losses         3         47           Equity in losses of affiliates         242         25           Loss on retirement of non-current assets         8         7           Other         33         437           Other         33         43           Total con-perating expenses         33		Q1/FY2013	Q1/FY2014
Cost of sales         15,941         13,909           Gross profit         2,953         2,705           Selling, general and administrative expenses         2,633         2,680           Operating income (loss)         320         24           Non-operating income         2         8           Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         3         31           Interest expenses         3         31           Foreign exchange losses         2         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income         83         147           Extraordinary income         83         147           Total extraordinary income		Apr'13-Jun'13	Apr'14-Jun'14
Gross profit         2,953         2,705           Selling, general and administrative expenses         2,633         2,680           Operating income (loss)         320         24           Non-operating income         2         8           Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         35         31           Foreign exchange losses         35         31           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Otdinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) befo	Net sales	18,894	16,614
Selling, general and administrative expenses         2,633         2,680           Operating income (loss)         320         24           Non-operating income         2         8           Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Foreign exchange losses         35         31           Foreign exchange spenses         35         31           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19	Cost of sales	15,941	13,909
Operating income (loss)         320         24           Non-operating income         2         8           Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Foreign exchange losses         -         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income (loss) before income taxes         503         19           Income (loss) before minority interests         445         18	Gross profit	2,953	2,705
Non-operating income         Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         5         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         99         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18	Selling, general and administrative expenses	2,633	2,680
Interest income         2         8           Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         5         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interest	Operating income (loss)	320	24
Foreign exchange gains         170         -           Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         5         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Income (loss) before income taxes         503         19           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income (loss) before minority interests         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         49         46	Non-operating income		
Amortization of negative goodwill         189         189           Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         5         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes deferred         99         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Interest income	2	8
Rent income         49         49           Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         35         31           Foreign exchange losses         -         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-deferred         99         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Foreign exchange gains	170	-
Other         23         36           Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         35         31           Foreign exchange losses         242         251           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         99         335           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         50         (4)         (4)	Amortization of negative goodwill	189	189
Total non-operating income         435         285           Non-operating expenses         35         31           Interest expenses         5         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Rent income	49	49
Non-operating expenses         1         2         1	Other	23	36
Interest expenses         35         31           Foreign exchange losses         -         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Total non-operating income	435	285
Foreign exchange losses         -         99           Equity in losses of affiliates         242         251           Loss on retirement of non-current assets         8         7           Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Non-operating expenses		
Equity in losses of affiliates       242       251         Loss on retirement of non-current assets       8       7         Other       49       46         Total non-operating expenses       335       437         Ordinary income (loss)       420       (127)         Extraordinary income       83       147         Total extraordinary income       83       147         Income (loss) before income taxes       503       19         Income taxes-current       66       34         Income taxes-deferred       (9)       (33)         Total income taxes       57       0         Income (loss) before minority interests       445       18         Minority interests in income (loss)       (5)       (4)	Interest expenses	35	31
Loss on retirement of non-current assets       8       7         Other       49       46         Total non-operating expenses       335       437         Ordinary income (loss)       420       (127)         Extraordinary income       83       147         Total extraordinary income       83       147         Income (loss) before income taxes       503       19         Income taxes-current       66       34         Income taxes deferred       (9)       (33)         Total income taxes       57       0         Income (loss) before minority interests       445       18         Minority interests in income (loss)       (5)       (4)	Foreign exchange losses	-	99
Other         49         46           Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Subsidy income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         99         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Equity in losses of affiliates	242	251
Total non-operating expenses         49         40           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Subsidy income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Loss on retirement of non-current assets	8	7
Total non-operating expenses         335         437           Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Subsidy income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Other	49	46
Ordinary income (loss)         420         (127)           Extraordinary income         83         147           Subsidy income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Total non-operating expenses		
Extraordinary income         83         147           Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Ordinary income (loss)		
Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Extraordinary income		
Total extraordinary income         83         147           Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Subsidy income	83	147
Income (loss) before income taxes         503         19           Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Total extraordinary income		147
Income taxes-current         66         34           Income taxes-deferred         (9)         (33)           Total income taxes         57         0           Income (loss) before minority interests         445         18           Minority interests in income (loss)         (5)         (4)	Income (loss) before income taxes		
Income taxes-deferred(9)(33)Total income taxes570Income (loss) before minority interests44518Minority interests in income (loss)(5)(4)	Income taxes-current		
Total income taxes570Income (loss) before minority interests44518Minority interests in income (loss)(5)(4)	Income taxes-deferred		
Income (loss) before minority interests44518Minority interests in income (loss)(5)(4)	Total income taxes		
Minority interests in income (loss) (5) (4)	Income (loss) before minority interests		
	Minority interests in income (loss)		
	Net income		

## **Consolidated Statements of comprehensive income Total accumulated other comprehensive income**

	Q1/FY2013	Q1/FY2014
	Apr'13-Jun'13	Apr'14-Jun'14
Income (loss) before minority interests	445	18
Other comprehensive income		
Valuation difference on available-for-sale securities	4	6
Remeasurements of defined benefit plans, net of tax	-	0
Foreign currency translation adjustment	574	196
Share of other comprehensive income of associates accounted for using equity method	68	(16)
Other comprehensive income	647	186
Comprehensive income	1,093	205
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	1,097	188
Comprehensive income attributable to minority interests	(3)	16

## Consolidated Statements of Cash Flows Millions of yen

		Q1/FY2013	Q1/FY2014
Page		Apr'13-Jun'13	Apr'14-Jun'14
Depreciation and amentization	Net cash provided by (used in) operating activities		_
Processe (decrease) in mix defined hereit fabrility	Income (loss) before income taxes	503	19
Increase (decrease) in alreaderined benefit liability	Depreciation and amortization	680	679
Increase (discrease) in altinomes for doublin lancamins	Increase (decrease) in provision for retirement benefits	(202)	-
Interest and dividends incume	Increase (decrease) in net defined benefit liability	-	(24)
Process parents   15	Increase (decrease) in allowance for doubtful accounts	0	39
Foreign exchange bases (gains)         60         1           Epaty in (earnings) bases of affiliates         242         251           Loss (gain) on sales of property, plant and equipment         (a)         0           Loss on recirement of non-current assets         8         7           Amortization of negative goodwill         (B8)         (A87)           Subsidy income         683         (A47)           Decrease (increase) in intentiores         (201)         0.490           Increase (increase) in intentiores         (340)         441           Increase (idecrease) in intentiores         (340)         441           Increase (idecrease) in intentiores         (30)         (35)           Other, net         730         (357)           Subtoral         1,210         638           Increase (decrease) in auternated expenses         3         10           Other, net         730         (357)           Subtoral         1,210         638           Increase (decrease) in auternated expenses         3         10           Preceds (decrease) in auternated expenses         6         6           Increase (decrease) in auternated expenses         3         12           Increase (decrease) in activities <td< td=""><td>Interest and dividends income</td><td>(3)</td><td>(10)</td></td<>	Interest and dividends income	(3)	(10)
Pupils in (samings) losses of affiliates	Interest expenses	35	31
Loss (gain) on sales of property, plant and equipment         (1)         (0)           Loss on retirement of non-current assets         8 m         7           Amortization of negative goodwill         (189)         (189)           Subsidy income         (63)         (147)           Decrease (increase) in note and accounts ectivable-trade         (30)         (470)           Decrease (increase) in inventories         (701)         (490)           Increase (decrease) in inventories         (30)         (457)           Increase (decrease) in accrued expenses         (30)         (457)           Other, net         739         (457)           Subtual         1,219         638         (457)           Interest capacity (190)         (30)         (31)         (30)         (31)           Interest capacity (190)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (30)         (	Foreign exchange losses (gains)	(6)	1
Loss on retirement of non-current assets         8         7           Amorization of negative goodwill         (89)         (88)           Subsidy income         (83)         (147)           Decrease (increase) in inventories         (701)         (949)           Increase (decrease) in inventories and accounts payable-trade         (701)         (758)           Other, net         (73)         (457)           Subtoral         (73)         (457)           Subtoral         (73)         (758)           Increase (advisidends income received         3         (10           Increase (advisidends income received         3         (20           Increase (advisidends income received         3         (20           Increase (advi	Equity in (earnings) losses of affiliates	242	251
Amortization of negative goodwill         (189)         (189)           SUbsidy income         (33)         (147)           Decrease (increase) in notes and accounts receivable-trade         (49)         (20)           Decrease (decrease) in notes and accounts payable-trade         (34)         41           Increase (decrease) in accrued expenses         (30)         (35)           Other, net         730         (457)           Subsida         1,219         38           Increase (abortease) in secrete expenses         3         10           Ober, experimental dividuals income received         33         10           Proceeds from subsidy income         83         47           Interest experies spaid         (35)         (31)           Increase experid         (35)         (31)           Not cash provided by (used in) operating activities         1032         252           Proceeds from subsidy income         (30)         6           Proceeds in middle and otime deposits         (6)         6           Proceeds from wild middle of time deposits         (6)         6           Proceeds from wild fraval of time deposits         (6)         (6)           Proceeds from wild fraval of time deposits         (8)         (25)      <	Loss (gain) on sales of property, plant and equipment	(1)	(0)
Shistify income         (8.3)         (147)           Decrease (increase) in notes and acounts receivable-trade         469         2,103           Decrease (increase) in inventuries         (701)         9,499           Increase (decrease) in inventuries         (340)         4.1           Increase (decrease) in accrued expenses         69         (758)           Other, net         379         4575           Subtotal         1,219         6.88           Increst and dividends income received         3         10           Proceeds from subsidy income         83         147           Interest expenses paid         (35)         (35)         331           Income taxes paid         (35)         (35)         351           Interest expenses paid         (35)         (25)         525           Net exact provided by (used in) operating setivities         1,032         252           Net exact provided by (used in) investing setivities         (0         0           Purphase of property, plant and equipment         90         (0           Purchase of investment securities         (0         (0           Purchase of investment securities         (1         4           Purchase of substitiaries and associates         (20)	Loss on retirement of non-current assets	8	7
Decrease (increase) in notes and accounts receivable-trade         460         2,103           Decrease (increase) in inventories         (701)         (949)           Increase (decrease) in inventories         (701)         (949)           Increase (decrease) in accrued expenses         (90)         (758)           Other, net         739         (457)           Substoal         3         (107)           Increase and dividends income received         3         (107)           Proceeds from subsidy income         83         (147)           Increase expenses paid         (35)         (31)           Increase reprovided by (used in) operating activities         (35)         (31)           Net cash provided by (used in) operating activities         (00)         -           Proceeds from withdrawal of time deposits         (00)         -           Proceeds from year indepulped to (used in) operating activities         (00)         -           Proceeds from sales of property, plant and equipment         (88)         (425)           Proceeds from sales of property, plant and equipment         (88)         (425)           Purchase of intangific assets         (10)         (00)         (00)           Purchase of property, plant and equipment         (88)         (2	Amortization of negative goodwill	(189)	(189)
Decrease (increase) in inventories         (70)         (949)           Increase (decrease) in notes and accounts payable-trade         (340)         41           Increase (decrease) in accrued expenses         69         (758)           Other, net         739         (457)           Subtotal         3         10           Praceed from subsidy income         83         147           Interest expenses paid         (35)         (31)           Increase (above as principal of the company of the comp	Subsidy income	(83)	(147)
Increase (decrease) in notes and accounts payable-trade	Decrease (increase) in notes and accounts receivable-trade	469	2,103
Increase (decrease) in accrued expenses	Decrease (increase) in inventories	(701)	(949)
Other, net         759         (457)           Subtoal         1,219         638           Interest and dividends income received         3         10           Proceeds from subsidy income         83         147           Interest expenses paid         (35)         (31)           Income taxes paid         (238)         (251)           Net cash provided by (used in) operating activities         1032         512           Net cash provided by (used in) investing activities         (0)         c           Payments into time deposits         (0)         c           Proceeds from withdrawal of time deposits         (0)         c           Proceeds from yearly, plant and equipment         (838)         (425)           Proceeds from yearly, plant and equipment         92         226           Purchase of investment securities         (1)         (0)         (0)           Purchase of investment securities         (2)         (3         (3           Other, net         1         4         (3         (4         (2         (3         (3         (4         (3         (4         (2         (3         (4         (3         (4         (2         (4         (4         (4         (4         (4	Increase (decrease) in notes and accounts payable-trade	(340)	41
Subtotal         1,219         638           Interest and dividends income received         3         10           Proceeds from subsisdy income         83         147           Interest expenses paid         (35)         (35)         (25)           Income taxes paid         (238)         (25)         52           Net cash provided by (used in) operating activities         1,032         52           Purchase of provided by (used in) investing activities         (6)         6           Proceeds from withdrawal of time deposits         10         6           Proceeds from withdrawal of time deposits         10         6           Proceeds from sales of property, plant and equipment         (838)         (425)           Purchase of intrangible assets         (21)         (3)           Purchase of investment securities         (20)         (0)           Purchase of investment securities         (88)         -2           Other, net         1         4           Purchase of subsidiaries and associates         (88)         -2           Other, net         1         4           Net cash provided by (used in) financing activities         (88)         -1           Purchase of treasury stock         (6)         -0	Increase (decrease) in accrued expenses	69	(758)
Interest and dividends income received         3         10           Proceeds from subsidy income         83         147           Interest expenses paid         (35)         (31)           Income taxes paid         (28)         (25)           Net cash provided by (used in) operating activities         1,032         512           Net cash provided by (used in) investing activities         (0)         -           Proceeds from withdrawal of time deposits         (0)         -           Proceeds from withdrawal of time deposits         (10)         -           Purchase of property, plant and equipment         (838)         (425)           Purchase of property, plant and equipment         (20)         (3)           Purchase of intengible assets         (21)         (3)           Purchase of investment securities         (21)         (3)           Purchase of investment securities         (88)         -           Other, nct         (1)         4           Net cash provided by (used in) financing activities         (1)         4           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         (6) </td <td>Other, net</td> <td>739</td> <td>(457)</td>	Other, net	739	(457)
Proceeds from subsidy income         83         147           Interest expenses paid         (35)         (31)           Income taxes paid         (238)         (251)           Net cash provided by (used in) operating activities         1,032         512           Net cash provided by (used in) investing activities           Payments into time deposits         (0)         c           Proceeds from withdrawal of time deposits         10         -           Proceeds from sales of property, plant and equipment         6838         (425)           Purchase of investment scurities         (21)         (3)           Purchase of investment scurities         (21)         (3)           Purchase of investment scurities         (888)         42           Purchase of shares of subsidiaries and associates         (888)         4           Other, net         1         4           Net cash provided by (used in) investing activities         807         (10)           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)           Purchase of treasury stock         (0)         (0)           Purchase of treasury stock         (0)         (0)           P	Subtotal	1,219	638
Interest expenses paid         (35)         (31)           Income taxes paid         (238)         (251)           Net eash provided by (used in) operating activities         1,032         52           Net eash provided by (used in) investing activities         3         6           Payments into time deposits         (0)         -           Proceeds from withdrawal equipment         (838)         (425)           Purchase of property, plant and equipment         (838)         (425)           Purchase of intangible assets         (21)         (3)         (3)           Purchase of investment securities         (0)         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         .         .           Other, net         1         4         .           Net cash provided by (used in) investing activities         (888)         .         .           Other, net         1         4         .         .           Net cash provided by (used in) investing activities         87         (10)           Purchase of treasury stock         807         (10)         .           Purchase of treasury stock         90         (11)         .         .           Purchase of treasury stock	Interest and dividends income received	3	10
Income taxes paid         238/         251           Net cash provided by (used in) operating activities         1,032         512           Net cash provided by (used in) investing activities         Company of the deposits         60         6           Proceeds from withdrawal of time deposits         10         6         6           Purchase of property, plant and equipment         92         226           Purchase of intrangible assets         (21)         (3)           Purchase of investment securities         (3)         (4)           Purchase of shares of subsidiaries and associates         (888)         -6           Other, net         1         4           Net cash provided by (used in) investing activities         (10         (10           Net cash provided by (used in) financing activities         807         (10           Net increase (decrease) in short-term loans payable         807         (10           Purchase of treasury stock         (9)         (10           Proceeds from stock issuance to minority shareholders         6            Repayments of finance lease obligations         (94)         (11           Net cash provided by (used in) financing activities         71         (12           Reflect of exchange rate change on cash and cash equivalent <td>Proceeds from subsidy income</td> <td>83</td> <td>147</td>	Proceeds from subsidy income	83	147
Net cash provided by (used in) operating activities         1,032         512           Net cash provided by (used in) investing activities         (0)         -           Payments into time deposits         (0)         -           Proceeds from withdrawal of time deposits         (10         -           Purchase of property, plant and equipment         (838)         (425)           Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of instangible assets         (20)         (0)           Purchase of instangible assets         (20)         (0)           Purchase of instangible assets         (20)         (0)           Purchase of instangential escaptions         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1645)         (197)           Net cash provided by (used in) financing activities         807         (10           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in	Interest expenses paid	(35)	(31)
Net cash provided by (used in) investing activities         (0)         -           Payments into time deposits         (0)         -           Proceeds from withdrawal of time deposits         (1)         -           Purchase of property, plant and equipment         (838)         (425)           Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1645)         (197)           Net cash provided by (used in) financing activities         807         (10           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         79         (125)           Effect of exchange rate change on cash and cash equivalents         260         (6)           Net cash provided by (used in) financing activities         367         127 <td>Income taxes paid</td> <td>(238)</td> <td>(251)</td>	Income taxes paid	(238)	(251)
Payments into time deposits         (0)         -           Proceeds from withdrawal of time deposits         10         -           Purchase of property, plant and equipment         (838)         (425)           Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         8888         -           Oher, net         1         4           Net cash provided by (used in) investing activities         1         4           Net cash provided by (used in) financing activities         807         (10)           Net increase (decrease) in short-term loans payable         807         (10)           Purchase of treasury stock         90         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         367         127           Effect of exchange rate change on cash and cash equivalents         367         127 <td>Net cash provided by (used in) operating activities</td> <td>1,032</td> <td>512</td>	Net cash provided by (used in) operating activities	1,032	512
Proceeds from withdrawal of time deposits         10         -           Purchase of property, plant and equipment         (838)         (425)           Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (10)         (10)           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         367         127           Leftect of exchange rate change on cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from con	Net cash provided by (used in) investing activities		_
Purchase of property, plant and equipment         (838)         (425)           Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1,645)         (197)           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)           Purchase of treasury stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         260         (61)           Net increase (decrease) in cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation         (532)         5,029	Payments into time deposits	(0)	-
Proceeds from sales of property, plant and equipment         92         226           Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1,645)         (197)           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)           Purchase of treasury stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         260         (61)           Net increase (decrease) in cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation         (532)         -           Cash and cash equivalents at beginning of period         5,029         5,029	Proceeds from withdrawal of time deposits	10	-
Purchase of intangible assets         (21)         (3)           Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1,645)         (197)           Net cash provided by (used in) financing activities         807         (10)           Purchase of treasury stock         (0)         (0)         (0)           Purchase of treasury stock issuance to minority shareholders         6         -         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         260         (61)           Net increase (decrease) in cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation         (532)         5,029           Cash and cash equivalents at beginning of period         5,029         5,029	Purchase of property, plant and equipment	(838)	(425)
Purchase of investment securities         (0)         (0)           Purchase of shares of subsidiaries and associates         (888)         -           Other, net         1         4           Net cash provided by (used in) investing activities         (1,645)         (197)           Net cash provided by (used in) financing activities         807         (10)           Net increase (decrease) in short-term loans payable         807         (10)           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         260         (61)           Net increase (decrease) in cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation         (532)         -           Cash and cash equivalents at beginning of period         5,029         5,029	Proceeds from sales of property, plant and equipment	92	226
Purchase of shares of subsidiaries and associates Other, net Other, net Other, net Other, net Other cash provided by (used in) investing activities Net cash provided by (used in) financing activities Net increase (decrease) in short-term loans payable Purchase of treasury stock Other proceeds from stock issuance to minority shareholders Repayments of finance lease obligations Other cash provided by (used in) financing activities Repayments of finance lease obligations Other cash provided by (used in) financing activities Other c	Purchase of intangible assets	(21)	(3)
Other, net         1         4           Net cash provided by (used in) investing activities         (1,645)         (197)           Net cash provided by (used in) financing activities           Net increase (decrease) in short-term loans payable         807         (10)           Purchase of treasury stock         (0)         (0)           Proceeds from stock issuance to minority shareholders         6         -           Repayments of finance lease obligations         (94)         (114)           Net cash provided by (used in) financing activities         719         (125)           Effect of exchange rate change on cash and cash equivalents         260         (61)           Net increase (decrease) in cash and cash equivalents         367         127           Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation         (532)         5,029           Cash and cash equivalents at beginning of period         5,029         5,029	Purchase of investment securities	(0)	(0)
Net cash provided by (used in) investing activities(1,645)(197)Net cash provided by (used in) financing activities807(10)Net increase (decrease) in short-term loans payable807(10)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(94)(114)Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Purchase of shares of subsidiaries and associates	(888)	-
Net cash provided by (used in) financing activitiesNet increase (decrease) in short-term loans payable807(10)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(94)(114)Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Other, net	1	4
Net increase (decrease) in short-term loans payable807(10)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(94)(114)Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Net cash provided by (used in) investing activities	(1,645)	(197)
Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(94)(114)Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Net cash provided by (used in) financing activities		
Proceeds from stock issuance to minority shareholders  Repayments of finance lease obligations  Net cash provided by (used in) financing activities  Fiffect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation  Cash and cash equivalents at beginning of period	Net increase (decrease) in short-term loans payable	807	(10)
Repayments of finance lease obligations(94)(114)Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Purchase of treasury stock	(0)	(0)
Net cash provided by (used in) financing activities719(125)Effect of exchange rate change on cash and cash equivalents260(61)Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Proceeds from stock issuance to minority shareholders	6	-
Effect of exchange rate change on cash and cash equivalents  Net increase (decrease) in cash and cash equivalents  367  Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation  (532)  Cash and cash equivalents at beginning of period  5,297  5,029	Repayments of finance lease obligations	(94)	(114)
Net increase (decrease) in cash and cash equivalents367127Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation(532)-Cash and cash equivalents at beginning of period5,2975,029	Net cash provided by (used in) financing activities	719	(125)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation  Cash and cash equivalents at beginning of period  5,297  5,029	Effect of exchange rate change on cash and cash equivalents	260	(61)
Cash and cash equivalents at beginning of period 5,297 5,029	Net increase (decrease) in cash and cash equivalents	367	127
	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(532)	<u>-</u>
Cash and cash equivalents at end of period 5,132 5,157	Cash and cash equivalents at beginning of period	5,297	5,029
	Cash and cash equivalents at end of period	5,132	5,157

# **Consolidated Business Segment Information Millions of yen**

## 'Q1/FY2013 Apr'13-Mar'13

	<b>Business Segments Reported</b>				Consolidated
	Batteries	Electronic Materials	Total	Ajustments	Statements
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

## 'Q1/FY2014 Apr'14-Mar'14

	<b>Business Segments Reported</b>				Consolidated
	Batteries	Electronic Materials	Total	Ajustments	Statements
Net sales					
Unaffiliated customers	10,936	5,678	16,614	-	16,614
Intersegment				-	
Total	10,936	5,678	16,614	-	16,614
Segment income (loss)	124	(100)	24	-	24

#### **Business Results**

## (1) Analysis of Consolidated Business Results

#### 1.1 Overview

As for the business environment of the FDK Group (hereinafter called "FDK") during the first quarter ended June 30, 2014, there were some negative factors such as slowing economic growth in emerging countries which were driving force of the world economy, instability of the Ukrainian and the Middle East, and high prices of raw materials and fuels due to the depreciation of the yen. Although downturn in sales has been a concern due to the reaction of the last-minute demand by the consumption tax hike from this April in Japan, the domestic economy became a moderately recovery trend. Since consumer confidence of individuals has revived by the expansion of corporate earnings due to weaker yen, reactionary decline of the consumption tax increase was less than expected.

Under these circumstances, as the business expansion measures, FDK released reliable new alkaline batteries (Premium, HighPower, and LongLife) and nickel-metal hydride batteries (High-Capacity Type and Standard Type) in June, which were matched for users' diversified life activities and which reflected the market trends. FDK also focused on developing and mass production of the high-power inductors, the low profile DC-DC conductors, and the DC-DC power modules in the electronic device business.

As for FDK's business results in the first quarter, net sales were 16,614 million yen, down by 2,279 million yen from the same period last year. While sales of the battery business division unchanged, the sales of signal processing modules for LCD displays for large LCD TVs of electronic device business division decreased largely.

With regard to profit and loss, operating income of battery business was 124 million yen, up by 118 million yen from the same period last year. It was achieved by the continuous application of technological VEs for product materials, the reduction of purchasing and fixed costs such as external costs. However, the sales of above-mentioned signal processing module for LCD displays for large LCD TVs of electronic device business division decreased largely and total operating income was 24 million yen, down by 295 million yen from the same period last year.

Ordinary loss was 127 million yen (420 million yen in the same period last year) and Net income was 23 million yen, down by 428 million yen from the same period last fiscal year.

The divisional sales overview is as follows.

## 1.2 Battery Business

Sales of alkaline batteries increased from the same period last year due to the efforts to acquire new customers in domestic and global market in the last fiscal year, and to tackle about possibilities of extending sales with existing customers, though sales in consumer market in Japan decreased due to the reaction of the last-minute demand by the consumption tax hike. Sales of Ni-MH batteries declined in domestic and global consumer markets from the same period last year, but rose in the industrial market such as automotive use. Sales of lithium batteries went up from the same period last year, due to the increase in sales for disaster-related goods in domestic and global market, security goods, and automotive applications.

As a result, sales for the battery business were 10,936 million yen, up by 84 million yen from the same period last year.

## 1.3. Electronic Device Business

Sales of coil devices increased from the same period last year, due to the steady increase in sales for consumer equipment, industrial equipment and hybrid cars. Sales of dc-dc converters unchanged from the same period last year, though the sales for servers and storages were steadily increased. Sales of switching power supplies and signal processing modules for LCD displays significantly decreased from the same period last year as these products had not sold well for large LCD televisions and for the netbooks.

As a result, sales for the electronic device business were 5,678 million yen, down by 2,364 million yen from the same period last year.

## (2) Analysis of Financial Condition

## 2.1 Status of Assets, Liabilities and Net Assets

Total assets at the end of first quarter of FY2014 decreased by 854 million yen (-1.5%) from the end of the previous fiscal year to 54,440 million yen. Current assets decreased by 712 million yen (-2.2%) from the end of the previous fiscal year to 31,939 million yen. Noncurrent assets decreased by 142 million yen (-0.6%) from the end of the previous fiscal year to 225 million yen. The principal causes for decreased current assets was a 2,255 million yen decrease in notes and accounts receivable-trade, though there was a 665 million yen increase in merchandise and finished goods and a 212 million yen increase in raw materials and supplies. The principal cause for decreased noncurrent assets was a 209 million yen decrease in investment securities, though there was a 140 million yen decrease in property, plant and equipment.

Total liabilities at the end of first quarter of FY2014 decreased by 894 million yen (-1.8%) from the end of the previous fiscal year to 47,892 million yen. Current liabilities decreased by 875 million yen (-2.3%) from the end of the previous fiscal year to 37,530 million yen. Noncurrent liabilities decreased by 18 million yen (-0.2%) from the end of the previous fiscal year to 10,362 million yen. The principal causes of decreased current liabilities were a 180 million yen decrease in income taxes payable and a 115 million yen decrease in notes and accounts payable-trade. The principal cause for decreased non-current liabilities were a 189 million yen decrease in negative goodwill and a 180 million yen decrease in long-term accounts payable-other, though there were a 217 million yen increase in lease obligations and a 142 million yen increase in not defined benefit liability.

The interest-bearing debt increased by 189 million yen from the end of the previous fiscal year to 21,088 million yen.

Total net assets at the end of first quarter of FY2014 increased by 40 million yen (0.6%) from the end of the previous fiscal year to 6,548 million yen. The main factor for the increase in total net assets was a 158 million yen increase in foreign currency translation adjustment, though there was a 141 million yen decrease in retained earnings by the application of new accounting standard on retirement benefit.

## 2.2 Cash Flow Condition

Net cash used in operating activities increased by 512 million yen from the beginning of this fiscal year due to an increase in cash and cash equivalents ("cash") by a decrease in notes and accounts receivable-trade and the depreciation and amortization, though there was a decrease in cash by an increase in inventories and a decrease in notes and accounts payable-trade. (Net cash used in operating activities for the last fiscal year increased by 1,032 million yen from the beginning of the last fiscal year).

Net cash used in investment activities decreased by 197 million yen from the beginning of this fiscal year by purchasing the property, plant and equipment. (Net cash used in investment activities for the last fiscal year decreased by 1,645 million yen from the beginning of the last fiscal year).

Net cash used in financing activities decreased by 125 million yen from the beginning of this fiscal year due to the repayments of finance lease obligations. (Net cash used in financing activities for the last fiscal year decreased by 719 million yen from the beginning of the last fiscal year).

As a result, the balance of cash and cash equivalents on June 30, 2014 was 5,157 million yen, an increase of 127 million yen from the beginning of this fiscal year.

## 3. Forecast for the Fiscal Year Ending March 31, 2015

FDK has not changed its business forecast, which was announced on April 25, 2014. We will announce the revision promptly if it will be necessary in the future, by doing our best to collect various information including market trends.