Consolidated Financial Results for the First Half of FY2014 (April 1, 2014 to September 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 Six-Months Period Ended September 30, 2014

a. Consolidated Results of Operations

		Yen		Yen	U.S.Dollars
		(millions)		(millions)	(millions)
	Six months	Six months		FY2013,	Six months
	ended Sept. 30,	ended Sept 30,		ended Mar. 31,	ended Sept. 30,
	2013	2014	Change (%)	2014	2014
Net Sales	39,308	35,572	(9.5)	76,624	\$325.01
Operating Income	1,049	455	(56.6)	1,448	\$4.16
Ordinary Income	985	419	(57.4)	1,471	\$3.83
Net Income	484	451	(6.8)	1,060	\$4.12

Amounts Per Share of Common Stock:

Basic Earnings	2.23 yen	1.61 yen	4.48 yen	1.47 cent
Diluted Earnings	1.74 yen	- yen	- yen	- cent

b. Net Sales by Business Segment

	Yen	Yen	Yen	U.S.Dollars
	(millions)	(millions)	(millions)	(millions)
	Six months	Six months	FY2013,	Six months
	ended Sept. 30,	ended Sept. 30,	ended Mar. 31,	ended Sept. 30
	2013	2014	2014	2014
Batteries	24,026	23,595	45,671	\$215.58
Electronic Devices	15,281	11,977	27,876	\$109.43
Total	39,308	35,572	73,547	\$325.01

c. Consolidated Financial Position

	Yei	
	(millio	ons)
	As of Mar. 31,	As of Sept. 30,
	2014	2014
Total Assets	55,294	56,473
Total Net Assets	6,508	8,003
Shareholders' Equity	8,174	8,459
Shareholders' Equity Ratio	10.6 %	13.0 %

d. Consolidated Statements of Cash Flows

	(mil	lions)			
	Six months	Six months			
	ended Sept. 30,	ended Sept. 30,			
	2013	2014			
Cash Flows from	3,593	1,413			
Operating Activities					
Cash Flows from	(1,981)	(810)			
Investing Activities					
Cash Flows from	(1,604)	(650)			
Financing Activities					
Cash and Cash Equivalent	4,949	5,256			
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 109.45 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	82,000	7.0 %	76,624
Operating Income	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.

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

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

September 30, 2014: 246,204 shares March 31, 2014: 241,366 shares

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

September 30, 2014: 280,119,060 shares September 30, 2013: 217,270,910 shares

Consolidated Balance Sheets Millions of yen

	FY2013 Mar 31, 2014	1H/FY2014 Sep 30, 2014
Assets	11111 31, 2014	5cp 30, 2014
Current assets		
Cash and deposits	5,029	5,256
Notes and accounts receivable-trade	18,726	18,577
Merchandise and finished goods	2,226	2,910
Work in process	2,952	3,139
Raw materials and supplies Deferred tax assets	1,906 244	2,126 237
Other	1,627	1,809
Allowance for doubtful accounts	(61)	(105)
Total current assets	32,651	33,952
Non-current assets		20,502
Property, plant and equipment		
Buildings and structures, net	7,486	7,581
Machinery, equipment and vehicles, net	4,994	4,718
Tools, furniture and fixtures, net	855	857
Land	2,557	2,692
Lease assets, net	1,225	1,503
Construction in progress	568	719
Total property, plant and equipment	17,687	18,073
Intangible assets	677	614
Investments and other assets	1.010	1 470
Investment securities	1,910	1,478
Long-term loans receivable Net defined benefit asset	785	771
Deferred tax assets	224	198
Other	1,356	1,384
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,278	3,833
Total non-current assets	22,642	22,521
Total assets	55,294	56,473
Liabilities		30,473
Current liabilities		
Notes and accounts payable-trade	13,224	13,859
Short-term loans payable	19,510	19,100
Lease obligations	386	373
Accounts payable-other	2,156	2,017
Income taxes payable	252	202
Other	2,875	2,987
Total current liabilities	38,405	38,541
Non-current liabilities		
Lease obligations	1,002	1,193
Deferred tax liabilities	289	289
Net defined benefit liability	4,274	4,394
Negative goodwill	569	189
Long-term accounts payable - other	3,929 316	3,578 281
Other Total non-current liabilities	10,380	9,928
Total liabilities	48,786	48,469
Net assets	10,700	10,100
Shareholders' equity		
Capital stock	28,301	28,301
Capital surplus	22,622	22,622
Retained earnings	(42,706)	(42,420)
Treasury stock	(42)	(43)
Total shareholders' equity	8,174	8,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26	30
Foreign currency translation adjustment	341	1,507
Remeasurements of defined benefit plans	(2,658)	(2,655)
Total accumulated other comprehensive income	(2,290)	(1,117)
Minority interests	624	661
Total net assets	6,508	8,003
Total liabilities and net assets	55,294	56,473

Consolidated Statements of Income Millions of yen

Cost of sales 32,947 29 Gross profit 6,360 6	1.4
Cost of sales 32,947 29 Gross profit 6,360 6 Selling, general and administrative expenses 5,311 5 Operating income 1,049 Non-operating income 9 1 Interest income 9 1 Foreign exchange gains - - Amortization of negative goodwill 379 156 Rent income 99 0 156 156 Total non-operating income 645 156 1 Non-operating expenses 76 124<	14
Gross profit 6,360 6 Selling, general and administrative expenses 5,311 3 Operating income 1,049 Non-operating income 9 Interest income 9 Foreign exchange gains - Amortization of negative goodwill 379 Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	5,572
Selling, general and administrative expenses 5,311 5 Operating income 1,049 Non-operating income 9 Interest income 9 Foreign exchange gains - Amortization of negative goodwill 379 Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	,484
Operating income1,049Non-operating income9Interest income9Foreign exchange gains-Amortization of negative goodwill379Rent income99Other156Total non-operating income645Non-operating expenses76Interest expenses76Foreign exchange losses124Equity in losses of affiliates385Loss on retirement of non-current assets19	5,088
Non-operating income Interest income 9 Foreign exchange gains - Amortization of negative goodwill 379 Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	5,633
Interest income 9 Foreign exchange gains - Amortization of negative goodwill 379 Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	455
Foreign exchange gains Amortization of negative goodwill Rent income 99 Other 156 Total non-operating income Non-operating expenses Interest expenses Interest expenses Foreign exchange losses 124 Equity in losses of affiliates Loss on retirement of non-current assets 19	
Amortization of negative goodwill 379 Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	20
Rent income 99 Other 156 Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	114
Other 156 Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	379
Total non-operating income 645 Non-operating expenses Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	99
Non-operating expenses Interest expenses Foreign exchange losses Equity in losses of affiliates Loss on retirement of non-current assets 19	87
Interest expenses 76 Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	701
Foreign exchange losses 124 Equity in losses of affiliates 385 Loss on retirement of non-current assets 19	
Equity in losses of affiliates Loss on retirement of non-current assets 19	71
Loss on retirement of non-current assets 19	_
	509
Other 102	36
102	119
Total non-operating expenses 709	737
Ordinary income 985	419
Extraordinary income	
Subsidy income 83	147
Gain on transfer of business	70
Total extraordinary income 83	217
Extraordinary loss	
Loss on revision of retirement benefit plan 304	_
Total extraordinary loss 304	
Income before income taxes 763	637
Income taxes-current 196	129
Income taxes-deferred (95)	(46)
Total income taxes 292	175
Income before minority interests 471	462
Minority interests in income (loss) (13)	11
Net income 484	451

Consolidated Statements of comprehensive income Total accumulated other comprehensive income

	1H/FY2013	1H/FY2014
	Apr'13-Sep'13	Apr'14-Sep'14
Income before minority interests	471	462
Other comprehensive income		
Valuation difference on available-for-sale securities	5	4
Foreign currency translation adjustment	450	1,122
Remeasurements of defined benefit plans, net of tax	-	2
Share of other comprehensive income of associates accounted for using equity method	62	69
Other comprehensive income	519	1,198
Comprehensive income	990	1,661
(Comprehensive income attributable to)		_
Comprehensive income attributable to owners of the parent	1,006	1,624
Comprehensive income attributable to minority interests	(16)	36

Consolidated Statements of Cash Flows Millions of yen

Note to the protection by (used in operating scripting) (month (see)) before income taxes (month (see)) before income tax and dividual accounts (month (see)) before income tax and advidual accounts (month (see)) before income tax and advidual accounts (month (see)) before income tax and advidual accounts (month (see)) before income tax and accounts receivable tax and accoun		1H/FY2013	1H/FY2014
Depresition and amortization 1,66 1,67 1,470		Apr'13-Sep'13	Apr'14-Sep'14
Permission and amentication 1,300 1,470 Increase (Accessed) in provision for reticement benefits 2	Net cash provided by (used in) operating activities		
Increase (decrease) in mire defined benefit liability	Income (loss) before income taxes	763	637
Increase (decrease) in alternate defined henefit liability	Depreciation and amortization	1,369	1,479
Interes and dividends income (100 100	Increase (decrease) in provision for retirement benefits	8	-
Interest and dividends income (1) (2) Interest expenses 76 71 Forcigin exchange losses (gains) 35 50 Equity in carmings) lower of affiliates 38 50 Loss (gain) on also of property, plant and equipment (10) 36 Loss on retirement of non-current assets (13) 36 Amortization of megative goodwill 33 (37) Subsidy income (8) 70 Decrease (increase) in notes and accounts recivable-trade 884 707 Decrease (increase) in investories and accounts payable-tade (12) 20 Increase (decrease) in invest and accounts payable-tade (12) 25 Ober-use (decrease) in investories 356 158 Increase (decrease) in invest and accounts payable-tade (12) 25 Increase (decrease) in investories 350 158 Increase (decrease) in investories 169 162 Obber, net 17 (7) (7) Increase (decrease) in investories 18 16 Increase (decrease) in dubid intering ac	Increase (decrease) in net defined benefit liability	-	(63)
Increst expenses	Increase (decrease) in allowance for doubtful accounts	2	41
Foreign exchange losses (gains) (5) 5.00 Equity in (earnings) losses of affiliates 35 50 Loss (gain) maniscle of propenty, plant and equipment (1) 3 Amontziation of negative gendwill (37) 373 Amontziation of negative gendwill (37) (37) Loss (gain) on transfer of business (3) (47) Decrease (increase) in incest and accounts receivable-trade 804 797 Decrease (increase) in incest and accounts payable-trade 162 500 Increase (decrease) in accread expenses 350 16 Other, net 1,12 32 Other, net 1,0 23 Interest and dividends income received 3,80 18 Interest and dividends income received 3,80 18 Interest expenses paid 77 71 Interest and dividends income received 3,80 18 Interest and dividends income received 3,80 18 Interest and dividends income received 1 2 Received provided by (used in) operating activities 3,80 </td <td>Interest and dividends income</td> <td>(10)</td> <td>(21)</td>	Interest and dividends income	(10)	(21)
Equity in (camings) loses of affiliates 58 50 Loss (gain) on sales of property, plant and equipment (0) (1) Loss on recitament of one-querien assets (37) (37) Amortization of negative goodwill (37) (37) Subsidy income (88) (147) Loss (again) on transfer of business (7) (70) Loss (again) on transfer of business (25) (90) Decrease (increase) in introst and accounts receivable-trade (38) (70) Decrease (increase) in internal accounts payable trade (38) (36) Increase (decrease) in accrued expenses (39) (36) Cheese (increase) in internal accounts payable trade (30) (30) Increase (decrease) in accrued expenses (30) (32) Other, set (30) (32) Increase (decrease) in accrued expenses (30) (32) Increase (decrease) in accrued expenses (30) (32) Increase (decrease) in accrued expenses (30) (32) Increase (increase) in accrued expenses (30) (32)	Interest expenses	76	71
Loss (gain) on sales of property, plant and equipment 0 (1) Loss on existement of non-current assets 19 36 Amontization of negative goodwill (38) (147) Loss (gain) on transfer of business - (70) Decrease (increase) in notes and accounts receivable-trade 84 707 Decreases (increase) in inventories 25 (90) Increase (decrease) in accounts payable-trade (121) 20 Increase (decrease) in accounts payable-trade 1,102 (25) Other, net 1,102 (25) Sabtoal 3,366 1,580 Increase (decrease) in accreated expenses 33 (40) Substall (which income received 1,102 (25) Substall (which income received 2,102 (25) Interest tapeauses paid (7) (71 Interest tapeauses paid (7) (71 Interest experiences paid (7) (71 Interest experiences paid (8) (25) Proceeds from subsidy income (8) (25) <	Foreign exchange losses (gains)	(5)	(5)
Loss on retirement of non-current assets 19 36 Amontization of negative goodwill 379 379 Subsidy income 68 1477 Loss (gain) on transfer of business 2 370 Decrease (increase) in motes and accounts receivable-trade 894 799 Decrease (increase) in motes and accounts payable-trade (1,213) 200 Increase (decrease) in incented expenses 898 16 Other, net 1192 (258) Subtoral 3,366 1,588 Interest and dividends income received 10 2 Proceeds from subsidy income 33 147 Interest suppares paid 77 (7) (7) Increase spaid 77 (7) (7)	Equity in (earnings) losses of affiliates	385	509
Amortization of negative goodwill (379) (378) Subsidy income (83) (147) Lose (gain) on transfer of busines - (70) Decrease (increase) in inventories 284 (787) Decrease (increase) in inventories 285 (900) Increase (decrease) in inventories 1,213 200 Increase (decrease) in inventories 589 18 Increase (decrease) in inventories 580 18 Other, et 1,123 (329) Subtotal 10 2 Increase (adecrease) in incense and accounts payable-trade 1,123 (329) Subtotal 1,123 (329) Subtotal 1,123 (329) Increase (adecrease) in accounted expenses 3,60 1,50 Interest capacity 3,60 1,50 Increase (adecrease) in accounted expenses 3,60 1,60 Interest and dividends income received 1,00 1,00 Increase (adecrease) in accounted expenses 3,00 1,00 Increase (adecrease) income accounted expense	Loss (gain) on sales of property, plant and equipment	(0)	(1)
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Loss (gain) on transfer of business - 70 Decrease (increase) in notes and accounts receivable-trade 255 9900 Decrease (increase) in inventories 255 9900 Increase (decrease) in inventories 589 16 Other, net 1,102 6259 Subotal 3,866 1,580 Interest and dividends income received 10 2 Interest and dividends income received 83 147 Interest and dividends income received 83 147 Interest expenses paid (20) 265 Net cash provided by (used in) operating activities 3,53 143 Processed from subskip provided by (used in) operating activities (20) 265 Proceeds from withdrawal of time deposits (3) (3) (7) Proceeds from withdrawal of time deposits (3) (7) Proceeds from suited so of property, plant and equipment (3) <	Amortization of negative goodwill	(379)	(379)
Decrease (increase) in inces and accounts receivable-trade 894 797 Decrease (increase) in invenories 255 6990 Increase (decrease) in invenories 389 16 Increase (decrease) in accounts payable-trade 192 252 Increase (decrease) in accounts payable-trade 1980 16 Other, et 1,192 525 Subtotal 10 2 Increase and dividends income received 10 2 Increase spand 677 (71) Increase expense paid 289 265 Net cash provided by (used in) operating activities 3,593 1,413 Proceeds from withdrawal of time deposits 10 2 Proceeds provided by (used in) investing activities 10 4 Proceeds from withdrawal of time deposits 10 1 Proceeds from wilked on Spoperty, plant and equipment (1,23) (1,13) Proceeds from sales of property, plant and equipment (3,23) (7 Proceeds from wilker of business (3,0) (7 Proceeds from wilker of business (3,0	Subsidy income	(83)	(147)
Decrease (increase) in inventories 255 (699) Increase (decrease) in noires and accounts payable-trade (1,215) 200 Increase (decrease) in noires and accounts payable-trade (1,225) 3.00 Other, net 1,192 6.359 Subtotal 3.866 1,888 Interest and dividends income received 3.0 1.0 Proceeds from subsidy income 83 1.47 Interest expanses paid 77 (7) Interest expanses paid 77 (7) Interest expanses paid 77 7.0 Net cash provided by (used in) operating activities 289 2.655 Net cash provided by (used in) investing activities 9 2.65 Purpus in into time deposits 10 1 1 Proceeds from withdrawal of time deposits 10 1 1 Purchase of property, plant and equipment 172 2.3 Proceeds from sales of property, plant and equipment 172 2.3 Proceeds from states of property, plant and equipment 172 2.2 Proceeds from stat	Loss (gain) on transfer of business	-	(70)
Increase (decrease) in notes and accounts payable-trade	Decrease (increase) in notes and accounts receivable-trade	894	797
Increase (decrease) in accrued expenses 589 16 Other, net 1,192 629 Subtotal 3,866 1,880 Interest and dividends income received 10 2.18 Proceeds from subsidy income 83 147 Increase expenses paid (77) (71) Income taxes paid (80) 2,655 Net cash provided by (used in) operating activities 3,593 1,133 Net cash provided by (used in) investing activities (90) - Proceeds from side popists (90) - Proceeds from side deposits (90) - Proceeds from side deposits (90) - Proceeds from sales of property, plant and equipment (1,236) (1,113 Proceeds from sales of property, plant and equipment (10) (1) Purchase of investient securities (10) (1) Proceeds from sales of stocks of subsidiaries and affiliates (88) - Proceeds from transfer of busines 1 (10) Other, net (1) (1) (1)	Decrease (increase) in inventories	255	(990)
Other, net 1,192 C829 Subtoal 3,866 1,580 Interest and dividends income received 10 21 Proceeds from subsidy income 83 147 Interest expenses paid (77) (71 Income taxes paid (289) 2655 Net each provided by (used in) operating activities 3,593 1,413 Percent cash provided by (used in) investing activities (0) - Payments into time deposits (0) - Proceeds from withdrawal of time deposits 10 - Proceeds from property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 23 Proceeds from sales of investment securities (1) (1 Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business (1) (1) Proceeds from transfer of business (1) (1) Proceeds from transfer of business (1) (1) Net cash provided by (used in) investing activities (1)	Increase (decrease) in notes and accounts payable-trade	(1,213)	200
Subtotal 3,866 1,580 Interest and dividends income received 10 21 Proceeds from subsidy income 83 147 Interest expenses paid (289) (265) Interest expenses paid (289) (265) Net cash provided by (used in) operating activities 3,593 1,413 Net cash provided by (used in) operating activities 0 2 Power and property of part and equipment (1,236) (1,131) Proceeds from withdrawal of time deposits 10 - Proceeds from sales of property, plant and equipment 112 231 Purchase of investment securities (1) (1) Purchase of investment securities (3) (7) Proceeds from sales of stocks of subsidiaries and affiliates (88) - Proceeds from transfer of business 2 100 Other, net (4) (1) Net cash provided by (used in) investing activities (88) - Net cash provided by (used in) financing activities (1,385) (410) Purchase of treasury stock	Increase (decrease) in accrued expenses	589	16
Interest and dividends income received 10 21 Proceeds from subsidy income 83 147 Interest expenses paid (77) (71) Income taxes paid (289) (265) Net cash provided by (used in) operating activities 3,593 1,413 Net cash provided by (used in) investing activities (10) - Proceeds from withdrawal of time deposits (10) - Proceeds from siles of property, plant and equipment (1236) (11,133) (17) Proceeds from siles of property, plant and equipment (1236) (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12 (12	Other, net	1,192	(529)
Proceeds from subsidy income 83 147 Interest expenses paid (77) (71) Income taxes paid (289) 2655 Net cash provided by (used in) operating activities 3,593 1,413 Net cash provided by (used in) investing activities Payments into time deposits 0 c Payments into time deposits 0 c Proceeds from sithed acquipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 231 Purchase of investment scurities (3) (7) Purchase of investment scurities (3) (7) Proceeds from sales of stocks of subsidiaries and affiliates (88) c Proceeds from transfer of business 2 100 Other, net 4 (1) (1) Net cash provided by (used in) investing activities 1 (31) (81) Net cash provided by (used in) financing activities (1) (0) Net cash provided by (used in) financing activities (1) (0) Purchase of tr	Subtotal	3,866	1,580
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Income taxes paid (289) (265) Net cash provided by (used in) operating activities 3,939 1,413 Net cash provided by (used in) investing activities Payments into time deposits (0) - Proceeds from withdrawal of time deposits 10 - Purchase of property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 33 (7 Purchase of intagible assets (3) (7 Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business (888) - Proceeds from transfer of business (4) (1) Other, net (4) (1) Net cash provided by (used in) investing activities (1,81) (810) Net cash provided by (used in) financing activities (1,81) (410) Purchase of treasury stock (0) (0) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders	Proceeds from subsidy income	83	147
Net cash provided by (used in) operating activities 3,593 1,413 Net cash provided by (used in) investing activities 3,593 1,413 Payments into time deposits (0) - Proceeds from withdrawal of time deposits (1) - Purchase of property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment (33) (7) Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of busines (1) (1) (1) Other, net (4) (19) Net cash provided by (used in) investing activities (888) - - Net cash provided by (used in) financing activities (1) (1) (1) Net cash provided by (used in) financing activities (1) (2) (2) Proceeds from stock issuance to minority shareholders (6) (2) (2) (2) (2) (2) (2)	Interest expenses paid	(77)	(71)
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 (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 231 Purchase of intangible assets (3) (7) Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates 888 - Proceeds from transfer of business - 100 Other, net (4) (19 Net cash provided by (used in) investing activities (1981) (810) Net cash provided by (used in) financing activities (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (550) Net cash provided by (used in) financing activities (25) (240)	Income taxes paid	(289)	(265)
Payments into time deposits (0) - Proceeds from withdrawal of time deposits 10 - Purchase of property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 231 Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Other, net (4) (1981) Net cash provided by (used in) investing activities (1981) (810) Net cash provided by (used in) financing activities (1,385) (410) 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 (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 </td <td>Net cash provided by (used in) operating activities</td> <td>3,593</td> <td>1,413</td>	Net cash provided by (used in) operating activities	3,593	1,413
Proceeds from withfrawal of time deposits 10 - Purchase of property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 231 Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Oher, net (4) (199) Net cash provided by (used in) investing activities (1) (810) Net cash provided by (used in) financing activities (1) (1) Net increase (decrease) in short-term loans payable (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders (225) (240) Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents	Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment (1,236) (1,113) Proceeds from sales of property, plant and equipment 172 231 Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Other, net (4) (199) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities (1,385) (410) 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 (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents (532)	Payments into time deposits	(0)	-
Proceeds from sales of property, plant and equipment 172 231 Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) Purchase of investment securities (888) - Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Other, net (4) (199) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities (1,981) (810) Net increase (decrease) in short-term loans payable (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents (532) - Decrease in cash and cash equivalents resulting fr	Proceeds from withdrawal of time deposits	10	-
Purchase of intangible assets (33) (7) Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Other, net (4) (19) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents 183 227 Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation (532) 5,029	Purchase of property, plant and equipment	(1,236)	(1,113)
Purchase of investment securities (1) (1) Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business 1 100 Other, net (4) (1981) Net cash provided by (used in) investing activities (1,981) (810) Net increase (decrease) in short-term loans payable (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents 183 227 Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation (532) 5,029 Cash and cash equivalents at beginning of period 5,297 5,029	Proceeds from sales of property, plant and equipment	172	231
Proceeds from sales of stocks of subsidiaries and affiliates (888) - Proceeds from transfer of business - 100 Other, net (4) (198) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities - - Net increase (decrease) in short-term loans payable (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents 183 227 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 intangible assets	(33)	(7)
Proceeds from transfer of business 100 Other, net (4) (193) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities (1,385) (410) Purchase of treasury stock (0) (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents 183 227 Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation (532) 5,029	Purchase of investment securities	(1)	(1)
Other, net (4) (19) Net cash provided by (used in) investing activities (1,981) (810) Net cash provided by (used in) financing activities (1,385) (410) Purchase (decrease) in short-term loans payable (1,385) (410) Purchase of treasury stock (0) (0) Proceeds from stock issuance to minority shareholders 6 - Repayments of finance lease obligations (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents 176 275 Net increase (decrease) in cash and cash equivalents 183 227 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 stocks of subsidiaries and affiliates	(888)	-
Net cash provided by (used in) investing activities(1,981)(810)Net cash provided by (used in) financing activities(1,385)(410)Net increase (decrease) in short-term loans payable(1,385)(410)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(225)(240)Net cash provided by (used in) financing activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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 transfer of business	-	100
Net cash provided by (used in) financing activitiesNet increase (decrease) in short-term loans payable(1,385)(410)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(225)(240)Net cash provided by (used in) financing activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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	(4)	(19)
Net increase (decrease) in short-term loans payable(1,385)(410)Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(225)(240)Net cash provided by (used in) financing activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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	(1,981)	(810)
Purchase of treasury stock(0)(0)Proceeds from stock issuance to minority shareholders6-Repayments of finance lease obligations(225)(240)Net cash provided by (used in) financing activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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 (225) (240) Net cash provided by (used in) financing activities (1,604) (650) Effect of exchange rate change on cash and cash equivalents Net increase (decrease) in cash and cash equivalents 183 227 Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation (532) - Cash and cash equivalents at beginning of period 5,029	Net increase (decrease) in short-term loans payable	(1,385)	(410)
Repayments of finance lease obligations(225)(240)Net cash provided by (used in) financing activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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 activities(1,604)(650)Effect of exchange rate change on cash and cash equivalents176275Net increase (decrease) in cash and cash equivalents183227Decrease 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 176 183 227 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	(225)	(240)
Net increase (decrease) in cash and cash equivalents183227Decrease 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	(1,604)	(650)
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	176	275
Cash and cash equivalents at beginning of period 5,297 5,029	Net increase (decrease) in cash and cash equivalents	183	227
	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(532)	-
Cash and cash equivalents at end of period 4,949 5,256	Cash and cash equivalents at beginning of period	5,297	5,029
	Cash and cash equivalents at end of period		5,256

Consolidated Business Segment Information Millions of yen

'1H/FY2013 Apr'13-Sep'13

	Business Segments Reported				Consolidated
	Batteries	Electronic Materials	Total	Ajustments	Statements
Net sales					
Unaffiliated customers	24,026	15,281	39,308	-	39,308
Intersegment				-	
Total	24,026	15,281	39,308	-	39,308
Segment income	520	528	1,049	-	1,049

'1H/FY2014 Apr'14-Sep'14

Business Segments Reported		Total	A :	Consolidated
Batteries	Electronic Materials	1 otai	Ajustments	Statements
23,595	11,977	35,572	-	35,572
			-	
23,595	11,977	35,572	-	35,572
700	(244)	455	-	455
	23,595 - 23,595	Electronic Materials 23,595 11,977	Electronic Materials Total	Electronic Materials Total Ajustments

Business Results

(1) Analysis of Consolidated Business Results

1.1 Overview

As for the business environment of the FDK Group ("FDK") during the first half ended September 30, 2014, some unclear condition still remained due to the anticipation of the slowing economic growth in emerging countries which were driving force of the world economy, instability of the political situation in Ukrainian and the Middle East, and high prices of raw materials and fuels due to the depreciation of the yen. In addition, a sense of recovery on the economy has appeared to be pausing from the instability of the European market and downturn in sales due to the reaction of the last-minute demand by the consumption tax hike from this April in Japan, and the decline in consumer spending due to inclement weather, etc. in the latter half of the period.

Under these circumstances, as the business expansion measures, FDK released FUJITSU alkaline battery series and FUJITSU Ni-MH rechargeable battery series that were redesigned in accordance with upgrading performance in June. Switching of the old models are progressing smoothly. Sales of lithium batteries have expanded due to the increase in sales for disaster-related goods, security goods, and automotive applications in North American and European markets.

As for FDK's business results in the first half, net sales were 35,572 million yen, down by 3,735 million yen from the same period last year since sales of signal processing modules for LCD displays used for large LCD TVs and Ni-MH batteries for consumer markets decreased.

With regard to profit and loss, operating income of battery business segment was 700 million yen, up by 179 million yen from the same period last year. It was achieved by the continuous application of technological VEs for product materials and the reduction of purchasing costs. However, the sales of above-mentioned signal processing module for LCD displays for large LCD TVs of electronic device business decreased largely and operating income was 455 million yen, down by 593 million yen from the same period last year.

Ordinary income was 419 million yen, down by 565 million yen from the same period last year and net income was 451 million yen, down by 33 million yen from the same period last 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 current customers. Sales of Ni-MH batteries decreased from the same period last year due to the decline in domestic and global consumer markets, though there was an increase 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, security goods, and automotive applications in North American and European markets.

As a result, sales for the battery business were 23,595 million yen, down by 431 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 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 netbooks. Sales of piezoelectric products decrease from the same period last year, due to the sluggish digital camera market.

As a result, sales for the electronic device business were 11,977 million yen, down by 3,304 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 half of FY2014 increased by 1,178 million yen (2.1%) from the end of the previous fiscal year to 56,473 million yen. Current assets increased by 1,300 million yen (4.0%) from the end of the previous fiscal year to 33,952 million yen. Noncurrent assets decreased by 121 million yen (-0.5%) from the end

of the previous fiscal year to 22,521 million yen. The main causes for increase current assets were a 683 million yen increase in merchandise and finished goods, a 227 million yen increase in cash and deposit and a 220 million yen in notes and accounts receivable-trade. The principal cause for decrease noncurrent assets was a 432 million yen decrease in investment securities, though there was a 386 increase in property, plant and equipment.

Total liabilities at the end of first half of FY2014 decreased by 316 million yen (-0.6%) from the end of the previous fiscal year to 48,469 million yen. Current liabilities increased by 135 million yen (0.4%) from the end of the previous fiscal year to 38,541 million yen. Noncurrent liabilities decreased by 452 million yen (-4.4%) from the end of the previous fiscal year to 9,928 million yen. The principal cause for increase current liabilities was a 635 million yen increase in notes and accounts payable-trade, though there was a 410 million yen decrease in short-term loans payable. The main causes of decrease non-current assets were a 379 million yen decrease in negative goodwill and a 350 million yen decrease in long-term accounts payable-other.

The interest-bearing debt decreased by 231 million yen from the end of the previous fiscal year to 20,667 million yen.

Total net assets at the end of first half of FY2014 increased by 1,495 million yen (23.0%) from the end of the previous fiscal year to 8,003 million yen. The main causes for the increase in total net assets were a 286 million yen increase in retained earnings by posting a net income of first half of HY2014 and a 1,165 million yen in foreign currency translation adjustment.

2.2 Cash Flow Condition

Net cash used in operating activities increased by 1,413 million yen from the beginning of this fiscal year due to an increase in cash and cash equivalents ("cash") by an increase in income before income taxes, the depreciation and amortization and a decrease in notes and accounts payable-trade, though there was a decrease in cash by an increase in inventories. (Net cash used in operating activities for the same period last fiscal year increased by 3,593 million yen from the beginning of the last fiscal year)

Net cash used in investment activities decreased by 810 million yen from the beginning of this fiscal year by purchasing the property, plant and equipment, though there was an income by transfer of business. (Net cash used in investment activities for the same period last fiscal year decreased by 1,981 million yen from the beginning of the last fiscal year).

Net cash used in financing activities decreased by 650 million yen from the beginning of this fiscal year due to a decrease in short-term loans payable and the repayments of finance lease obligations. (Net cash used in financing activities for the same period last fiscal year decreased by 164 million yen from the beginning of the last fiscal year).

As a result, the balance of cash and cash equivalents on September 30, 2014 was 5,256 million yen, an increase of 227 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.