Consolidated Financial Results for the First Quarter Ended June 30, 2016 (April 1, 2016 to June 30, 2016)

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

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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, 2016

a. Consolidated Statements of Income

	(n	Yen nillions)		Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30,	Three months ended June 30,		FY2015, ended Mar. 31,	Three months ended June 30,
	2015	2016	Change (%)	2016	2016
Net Sales	19,355	17,805	(8.0)	80,745	\$172.93
Operating Income	390	(317)	-	1,580	(\$3.08)
Ordinary Income (Loss)	452	(634)	-	658	(\$6.16)
Profit attributable to owners of parent	441	(713)	-	167	(\$6.93)
Amounts Per Share of Common	Stock:				
Basic Earnings	1.58 yen	(2.55) yen		0.60 yen	(2.47) cent
Diluted Earnings	- yen	- yen		- yen	- cent

b. Net Sales by Business Segment

	Yen	Yen	Yen	U.S.Dollars
	(millions)	(millions)	(millions)	(millions)
	Three months	Three months	FY2015,	Three months
	ended June 30,	ended June 30,	ended Mar. 31,	ended June 30
	2015	2016	2016	2016
Batteries	12,220	11,507	51,727	\$111.76
Electronic Devices	7,135	6,298	29,017	\$61.17
Total	19,355	17,805	80,745	\$172.93

c. Consolidated Financial Position

	Yen (millions) As of March 31, As of June 30, 2016 2015 54 217 52 736			
	As of March 31,	As of June 30,		
	2016	2015		
Total Assets	54,217	52,736		
Total Net Assets	7,754	5,867		
Shareholders' Equity	7,070	5,188		
Shareholders' Equity Ratio	13.0 %	9.8 %		

d. Consolidated Statements of Cash Flows

	Yen			
	(mil	lions)		
	Three months	Three months		
	ended June 30,	ended June 30,		
	2015	2016		
Cash Flows from	985	(1,146)		
Operating Activities				
Cash Flows from	(705)	(241)		
Investing Activities				
Cash Flows from	(425)	447		
Financing Activities				
Cash and Cash Equivalents	4,724	4,480		
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 102.96 yen=\$1
- 3. The percentage in this statement presents rate of change compared with the same period last year.

2. Consolidated Financial Forecast for the fiscal year 2016 ending March. 31, 2017

(Million of yen, except per share data)

		(iviliation of join, ex	copt per share data)
	FY2016	Change from FY2015	FY2015
Net Sales	82,000	1.6 %	80,745
Operating Income (Loss)	1,500	(5.1)	1,580
Ordinary Income	1,000	51.8 %	658
Profit attributable to owners of parent	500	198.1 %	167
Net Income per Share	1.79 yen	-	0.60 yen

Note for the use of the above forecasted business results.

The financial forecast described above is based upon information available as of April 27, 2016.

3. Others

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

Consolidated Subsidiaries

Unconsolidated Subsidiaries (equity method applied)

Affiliates (equity method applied only)

1 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: No
 - 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, 2016: 280,363,026 shares March 31, 2016: 280,363,026 shares

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

June 30, 2016: 261,622 shares March 31, 2016: 260,914 shares

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

June 30, 2016: 280,101,755 shares June 30, 2015: 280,110,692 shares

Consolidated Balance Sheet Millions of yen

Assert A		FY2015	1Q/FY2016
Cash and depons	Assets	March 31, 2016	June 30, 2016
Act and deposits 5.952 4.480 Notes and accounts receivable-trade 18,731 18,190 Merchandisc and finished goods 3,011 3,258 Work in process 3,148 3,119 Raw materials and supplies 1,830 2,165 Deferred tax sestes 1,90 1,916 1,900 Allowance for doubtful accounts 34,94 7,77 70 Allowance for doubtful accounts 34,640 33,305 Yon-current assets 34,640 33,305 Yon-current assets 7,120 7,116 Machinery, equipment and vehicles, net 4,440 4,550 Inufficiency and fixures, net 1,021 1,000 Land 2,700 2,650 Leave assets, net 1,216 1,716 Construction in progress 762 763 Total property, plant and equipment 1,913 1,738 Investments accurrities 1,69 16 Investments and other assets 2,22 2,76 Total prosecurity part plant and equipment			
Merchandise and finished goods 3,011 3,258 Work in process 3,148 3,19 Raw materials and supplies 1,930 1,60 Other 1,916 1,996 Allowance for doubtful accounts 34,64 33,305 Allowance for doubtful accounts 34,64 33,305 Non-current assets 34,64 33,305 Sone-current assets 34,64 33,305 Sone-current assets 34,64 33,305 Property 1,001 1,100 Machinery, equipment and vehicles, net 1,440 4,559 Took, furniture and fixtures, net 1,001 1,009 Land 2,009 2,659 Lease assets, net 1,002 1,106 Construction in progress 763 7,99 Total property, plant and equipment 1,502 3,25 Investment securities 1,602 1,60 Investment securities 1,602 1,60 Investment securities 2,00 1,60 Allowance for doubtful accounts <td>Cash and deposits</td> <td>5,952</td> <td>4,480</td>	Cash and deposits	5,952	4,480
Work in process 3,148 3,119 Raw materials and stopplics 1,360 1,216 Ochered tax assers 1,196 1,999 Allowance for doubtful accounts (844) 0,779 Total current assers 34,646 33,305 Non-current assers 34,646 33,305 Property, plant and cquipment 44,400 4,559 Huildings and structures, net 1,021 1,021 1,006 Tools, furniture and fixtures, net 1,021 1,021 1,006 1,059 Leas assets, net 1,867 7,769 769 <t< td=""><td>Notes and accounts receivable-trade</td><td>18,731</td><td>18,199</td></t<>	Notes and accounts receivable-trade	18,731	18,199
Raw materials and supplies 1,830 2,165 Other 1,916 1,906 Other 1,916 1,906 Allowance for doubtrial accounts (84) 77 Total current assets 34,646 33,305 Kon-current assets 34,646 33,305 Property, plant and equipment 84,440 4,50 Buildings and structures, net 4,440 4,50 Assets, pet 1,021 1,009 Load and fixures, net 1,021 1,009 Load assets, et 2,700 2,059 Load assets, et 763 7,69 Total property, plant and equipment 17,913 1,783 Integration assets 552 525 Investments and other assets 169 168 Long-term lons receivable 9 168 Long-term lons receivable 9 16 Not definice benefit asset 272 276 Other 638 50 Other 1,014 1,074 Tot	Merchandise and finished goods	3,011	3,258
Deferred tax asserts		3,148	3,119
Other 1,916 1,999 Allowance for doublful accounts (54) 7,7 Total current assets 3,4646 33,308 Non-current assets 8 Property, plant and equipment 7,120 7,116 Machitery, equipment and vehicles, net 4,440 4,559 Tools, furniture and fixtures, net 1,021 1,000 Land 2,700 2,659 Lease assets, net 1,867 1,713 1,753 Construction in progress 763 769 Total property, plant and equipment 1,7913 1,753 Incastments and other assets 152 2,525 Investments and other assets 109 168 Long-term loans receivable 0 1 16 Other class assets 2 2 2 2 Deferred tax assets 2 2 2 2 Other class assets 1,004 1,074 1,074 Total investments and other assets 1,005 1,074 Total investments asse	**		
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Tools, furniture and fixtures, net	· · · · · · · · · · · · · · · · · · ·		
Land	* * *		
Lease assets, net			
Total property, plant and equipment 17,913 17,830 Intagible assets 552 525 Investment securities 169 188 Long-term loans receivable 0 1 Net defined henefit asset 272 276 Deferred tax assets 24 38 Other 638 590 Allowance for doubtful accounts (0) (0) Total non-current assets 1,104 1,074 Total non-current assets 19,571 19,430 Total assets 4,217 5,736 Liabilities 3,221 5,736 Liabilities 14,976 14,872 Notes and accounts payable-trade 14,976 14,872 Short-term loans payable 15,680 16,260 Lease obligations 522 507 Accounts payable-other 2,994 3,33 Income taxes payable 3,12 3,23 Total current liabilities 37,597 38,422 Non-current liabilities 9 9 </td <td>Lease assets, net</td> <td></td> <td></td>	Lease assets, net		
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Investments and other assets 169 168 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169 168 169	Total property, plant and equipment	17,913	17,830
Investment securities	Intangible assets	552	525
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Deferred tax assets 24 38 Other 638 590 Allowance for doubtful accounts (0) (0) Total investments and other assets 1,104 1,074 Total non-current assets 19,571 19,430 Total assets 54,217 52,736 Liabilities 8 54,217 52,736 Liabilities 114,976 14,872 Short-term loans payable. 114,976 14,872 Short-term loans payable. 15,880 16,260 Lease obligations 522 507 Accounts payable-other 2,994 3,393 Income taxes payable 302 1,548 16,260 1,148 1,149		· ·	1
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Lease obligations 1,135 981 Deferred tax liabilities 99 94 Net defined benefit liability 4,890 4,808 Long-term accounts payable - other 2,472 2,297 Other 269 265 Total non-current liabilities 8,866 8,446 Total liabilities 46,463 46,868 Net assets Shareholders' equity Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 67	Total current liabilities	37,597	38,422
Deferred tax liabilities 99 94 Net defined benefit liability 4,890 4,808 Long-term accounts payable - other 2,472 2,297 Other 269 265 Total non-current liabilities 8,866 8,446 Total liabilities 46,463 46,868 Net assets Shareholders' equity Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,8	Non-current liabilities		
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Other 269 265 Total non-current liabilities 8,866 8,446 Total liabilities 46,463 46,868 Net assets Shareholders' equity Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867	·		
Total non-current liabilities 8,866 8,446 Total liabilities 46,463 46,868 Net assets Shareholders' equity Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867	* * *		
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Net assets Shareholders' equity Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) 45 Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867		·	
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Capital stock 28,301 28,301 Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867			
Capital surplus 22,622 22,622 Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867	<u> </u>	28.301	28.301
Retained earnings (41,742) (42,455) Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867	•		
Treasury share (45) (45) Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867			
Total shareholders' equity 9,135 8,422 Accumulated other comprehensive income 19 18 Valuation difference on available-for-sale securities 19 18 Foreign currency translation adjustment 1,205 (73) Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867	-		
Valuation difference on available-for-sale securities1918Foreign currency translation adjustment1,205(73)Remeasurements of defined benefit plans(3,290)(3,179)Total accumulated other comprehensive income(2,065)(3,233)Non-controlling Interests683678Total net assets7,7545,867	Total shareholders' equity	9,135	8,422
Foreign currency translation adjustment 1,205 Remeasurements of defined benefit plans (3,290) Total accumulated other comprehensive income (2,065) Non-controlling Interests Total net assets 1,205 (3,290) (3,179) (3,233) (3,233) (3,233) (3,233)	<u>=</u>		
Remeasurements of defined benefit plans (3,290) (3,179) Total accumulated other comprehensive income (2,065) (3,233) Non-controlling Interests 683 678 Total net assets 7,754 5,867			
Total accumulated other comprehensive income (2,065) Non-controlling Interests 683 678 Total net assets 7,754 5,867	·		
Non-controlling Interests683678Total net assets7,7545,867	•		
Total net assets 5,867	-		
	<u> </u>		
Total habilities and net assets 54,217 52,736			
	Total liabilities and net assets	54,217	52,736

Consolidated Statement of Income Millions of yen

	1Q/FY2015	1Q/FY2016
	April 15 - June 15	April 16 - June 16
Net sales	19,355	17,805
Cost of sales	16,053	15,271
Gross profit	3,302	2,533
Selling, general and administrative expenses	2,911	2,851
Operating income (loss)	390	(317)
Non-operating income		
Interest income	5	5
Foreign exchange gains	106	-
Rent income	21	5
Share of profit of entities accounted for using equity method	2	-
Other	33	29
Total non-operating income	169	40
Non-operating expenses		
Interest expenses	30	29
Foreign exchange losses	-	244
Share of loss of entities accounted for using equity method	-	26
Loss on retirement of non-current assets	18	25
Other	59	32
Total non-operating expenses	108	357
Ordinary income (loss)	452	(634)
Income (loss) before income taxes	452	(634)
Income taxes-current	26	132
Income taxes-deferred	(22)	(56)
Total income taxes	3	76
Profit (loss)	448	(710)
Profit attributable to non-controlling interests	6	2
Profit (loss) attributable to owners of parent	441	(713)

Consolidated Statement of comprehensive income Millions of yen

	1Q/FY2015	1Q/FY2016
	April 15 - June 15	April 16 - June 16
Profit (loss)	448	(710)
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(0)
Foreign currency translation adjustment	282	(1,239)
Remeasurements of defined benefit plans, net of tax	26	111
Share of other comprehensive income of entities accounted for using equity method	19	(46)
Other comprehensive income	334	(1,175)
Comprehensive income	783	(1,886)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	774	(1,881)
Comprehensive income attributable to non-controlling interests	8	(4)

Consolidated Statement of Cash Flows Millions of yen

	1Q/FY2015	1Q/FY2016	
	April 15 - June 15	April 16 - June 16	
Cash flows from operating activities			
Income (loss) before income taxes	452	(634)	
Depreciation and amortization	600	578	
Increase (decrease) in net defined benefit liability	(85)	(82)	
Increase (decrease) in allowance for doubtful accounts	10	(2)	
Interest and dividend income	(6)	(6)	
Interest expenses	30	29	
Foreign exchange losses (gains)	(2)	1	
Share of (profit) loss of entities accounted for using equity method	(2)	26	
Loss (gain) on sales of property, plant and equipment	0	(2)	
Loss on retirement of non-current assets	18	25	
Decrease (increase) in notes and accounts receivable-trade	1,180	(538)	
Decrease (increase) in inventories	(1,053)	(862)	
Increase (decrease) in notes and accounts payable-trade	247	904	
Increase (decrease) in accrued expenses	(662)	(694)	
Other, net	387	332	
Subtotal	1,114	(926)	
Interest and dividend income received	6	6	
Interest expenses paid	(29)	(27)	
Income taxes paid	(105)	(199)	
Net cash provided by (used in) operating activities	985	(1,146)	
Cash flows from investing activities			
Purchase of property, plant and equipment	(718)	(259)	
Proceeds from sales of property, plant and equipment	10	17	
Purchase of intangible assets	(8)	(2)	
Purchase of investment securities	(0)	(1)	
Purchase of shares of subsidiaries and associates	(0)	(0)	
Other, net	11	-	
Net cash provided by (used in) investing activities	705	(241)	
Cash flows from financing activities			
Net increase (decrease) in short-term loans payable	(300)	580	
Purchase of treasury shares	(0)	(0)	
Repayments of finance lease obligations	(124)	(132)	
Net cash provided by (used in) financing activities	(425)	447	
Effect of exchange rate change on cash and cash equivalents	112	(532)	
Net increase (decrease) in cash and cash equivalents	(33)	(1,472)	
Cash and cash equivalents at beginning of period	4,758	5,952	
Cash and cash equivalents at end of period	4,724	4,480	

Consolidated Business Segment Information Millions of yen

1Q/FY2015 April 15 - June 15

	Business Segm	Business Segments Reported			Consolidated
	Batteries	Electronic Materials	Total	Adjustments	Statements
Net sales					
Unaffiliated customers	12,220	7,135	19,355	-	19,355
Intersegment	-	<u> </u>			
Total	12,220	7,135	19,355	-	19,355
Segment income (loss)	639	(248)	390	-	390

1Q/FY2016 April 16 - June 16

Business Segments Reported				Consolidated
Batteries	Electronic Materials	Total	Adjustments	Statements
11,507	6,298	17,805	-	17,805
-	-	-	-	-
11,507	6,298	17,805	-	17,805
91	(408)	(317)	-	(317)
	11,507 - 11,507	Batteries Electronic Materials 11,507 6,298 - - 11,507 6,298	Batteries Electronic Materials Total 11,507 6,298 17,805 - - - 11,507 6,298 17,805	Batteries Electronic Materials Total Adjustments 11,507 6,298 17,805 - - - - - 11,507 6,298 17,805 - - - - - 11,507 6,298 17,805 -

Business Results

(1) Analysis of Consolidated Business Results

1.1 Overview

The business environment of the FDK Group ("FDK") during the first quarter ended June 30, 2016 remained uncertain condition continuously from the 2nd half period in the previous fiscal year, such as the delay of personal consumptions, the concern about downturn of company earnings by the appreciation of the Yen after the news of "Brexit" in Japan, in addition to the slowing economic growth in China and emerging countries, the instability of European market though the U.S domestic demand continued in recovering trend.

Under these circumstances, to achieve the target of "Mid-Term Business Plan 1618" starting from April this year, FDK has strived to extend the sales to the global industrial market expected for the potential growing like Automotive, Housing, Environmental Energy, ICT and also has strived to develop new products to these market. For the consumer market, FDK has strived to reorganize to the appropriate marketing organization for diversification of customers and develop the products which satisfy the concept of each customers. And FDK also strived to enhance its Brand awareness and recognition in global market by strengthening marketing performance and the sales promotion using internet and SNS.

As for FDK's business results in the first quarter, net sales were 17,805 million yen, decreased by 1,550 million yen (-8.0%) from the same period last year. It was by the rapid appreciation of the Yen and sales decrease from the same period last year of Alkaline batteries and Ni-MH batteries due to the change to the low price new products affected by low demand in global consumer market, although the sales quantity was in increase trend. And also it was by sales quantity decrease from the same period last year of many products in industrial market such as Signal Processing Modules for LCD Displays for LCD Televisions and Lithium batteries for disaster-related goods.

With regard to profit and loss, operating loss was 317 million yen (it was 390 million yen profit in the same period last year). Although FDK has strived to proceed cost reduction activity in all FDK group companies for the battery products rapidly increasing the quantity to cope against the loss caused by above mentioned sales decrease and rapid appreciation of the Yen, the effect of cost reduction activity need time to contribute to profit. Ordinary loss was 634 million yen (ordinary income was 452 million yen in the same period last year). Loss attributable to owners of parent in the first quarter was 713 million yen (it was 441 million yen profit attributable to owners of parent in the same period last year).

The divisional sales overview is as follows.

1.2 Battery Business

Sales of Alkaline batteries decreased from the same period last year due to sales decrease in domestic market and of decrease of OEM products in Europe, although the sales of OEM products in USA and for internet sales increased. Sales of Ni-MH batteries was same level as the same period last year due to the increase in sales of OEM products in USA and for automotive use, although the sales for consumer market and industrial market decreased due to low demand in domestic and overseas market. Sales of Power storage systems decreased from the same period last year due to the decrease of communication equipment backup use, although the sales of vending machine backup use was steady. Sales of Lithium batteries decreased from the same period last year, due to the decrease in sales for disaster-related goods in overseas, although the sales for automotive applications steadily increased.

As a result, sales for the Battery business were 11,507 million yen, decreased by 712 million yen from the same period last year.

1.3. Electronic Device Business

Sales of Ferrite and Coil Devices decreased from the same period last year, while the sales for automotive use steadily increased, their sales for consumer and industrial use has decreased. Sales of Multi-layer Power Inductor decreased from the same period last year, due to the sluggish smartphone market. Sales of Signal Processing Modules for LCD Displays decreased from the same period last year, due to sales decrease for LCD Televisions use. Sales of Switching Power Supply increased form the same period last year, due to steady sales for industrial use.

As a result, sales for the Electronic Device business were 6,298 million yen, decreased by 837 million yen from

(2) Analysis of Financial Condition

2.1 Status of Assets, Liabilities and Net Assets

Total assets at the end of first quarter of FY2016 decreased by 1,481 million yen (-2.7%) from the end of the previous fiscal year to 52,736 million yen. Current assets decreased by 1,340 million yen (-3.9%) from the end of the previous fiscal year to 33,305 million yen. Non-current assets decreased by 140 million yen (-0.7%) from the end of the previous fiscal year to 19,430 million yen. The principal causes for decreased current assets were a 1,472 million yen decrease in cash and deposits. The principal cause for decreased non-current assets was a 83 million yen decrease in property, plant and equipment.

Total liabilities at the end of first quarter of FY2016 increased by 405 million yen (0.9%) from the end of the previous fiscal year to 46,868 million yen. Current liabilities increased by 825 million yen (2.2%) from the end of the previous fiscal year to 38,422 million yen. Non-current liabilities decreased by 419 million yen (-4.7%) from the end of the previous fiscal year to 8,446 million yen. The principal cause of increased current liabilities was a 580 million yen increase in short-term loans payable and a 399 million yen increase in accounts payable-other. The principal cause for decreased non-current liabilities was a 174 million yen decrease in long-term accounts payable – other and a 154 million yen decrease in lease obligations.

The interest-bearing debt increased by 410 million yen from the end of the previous fiscal year to 17,748 million yen.

Total net assets at the end of first quarter of FY2016 decreased by 1,886 million yen (-24.3%) from the end of the previous fiscal year to 5,867 million yen. The main factors for the decrease in total net assets were a 1,279 million yen decrease in foreign currency translation adjustment and a 713 million yen decrease in retained earnings by posting a profit attributable to owners of parent.

2.2 Cash Flow Condition

Net cash used in operating activities decreased by 1,146 million yen from the beginning of this fiscal year due to an decrease in cash and cash equivalents ("cash") by posting the increase in loss before income taxes, increase in inventories, decrease in accrued expenses and increase in notes and accounts receivable-trade, though there was a increase in cash by increase in notes and accounts payable-trade and depreciation and amortization (Net cash used in operating activities for the last fiscal year increased by 985 million yen from the beginning of the last fiscal year).

Net cash used in investment activities decreased by 241 million yen from the beginning of this fiscal year by purchase of property, plant and equipment (Net cash used in investment activities for the last fiscal year decreased by 705 million yen from the beginning of the last fiscal year).

Net cash used in financing activities increased by 447 million yen from the beginning of this fiscal year due to the increase in short-term loans payable (Net cash used in financing activities for the last fiscal year decreased by 425 million yen from the beginning of the last fiscal year).

As a result, the balance of cash and cash equivalents on June 30, 2016 was 4,480 million yen, a decrease of 1,472 million yen from the beginning of this fiscal year.

3. Forecast for the Fiscal Year Ending March 31, 2017

FDK has not changed its business forecast, which was announced on April 27, 2016. 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.