

Fiscal Year 2020 Consolidated Operating Results
(April 1, 2020 to March 31, 2021)

FDK CORPORATION

(URL: <https://www.fdk.com>)

Listing Code No. 6955 (Listing Stock Exchange: 2nd Section of Tokyo Stock Exchange)
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The Consolidated Financial Results is unaudited/U.S. GAPP is not applied

1. Consolidated Operating Results for FY2020 ended March 31, 2021

a. Consolidated Income statements

	Yen (millions)		Change (%)	U.S.Dollars
	FY2019	FY2020		(millions)
	(4/1/19-3/31/20)	(4/1/20-3/31/21)		FY2020 (4/1/20-3/31/21)
Net Sales	62,123	61,543	-0.9 %	\$581.75
Operating Profit	841	1,743	107.3	\$16.48
Ordinary Profit	565	1,274	125.5	\$12.04
Profit (Loss) attributable to owners of parent	(2,340)	2,009	-	\$18.99

Amounts Per Share of Common Stock:

Basic Earnings (Loss) per share	(67.82) yen	58.24 yen		55.05 cent
Diluted Earnings per share	- yen	- yen		-
Rate of Return on Equity	(27.5) %	22.8 %		
Ordinary Profit to Total Assets Ratio	1.1 %	2.7 %		
Operating Profit to Net Sales Ratio	1.4 %	2.8 %		

b. Consolidated Financial Positions

	Yen (millions)	
	As of Mar. 31, 2020	As of Mar. 31, 2021
Total Assets	47,685	48,064
Net Assets	6,739	10,888
Owner's Equity	6,734	10,882
Capital Adequacy Ratio	14.1 %	22.6 %
Net Assets Per Share	195.16 yen	315.37 yen

c. Consolidated Cash Flows

	Yen (millions)	
	FY2019	FY2020
	(4/1/19-3/31/20)	(4/1/20-3/31/21)
Cash Flows from Operating Activities	2,799	1,996
Cash Flows from Investing Activities	(2,390)	(373)
Cash Flows from Financing Activities	99	(4,077)
Cash and Cash Equivalents at End of Period	9,063	7,001

d. Net Sales by Business Segment

	Yen	Yen	U.S.Dollars
	(millions)	(millions)	(millions)
	FY2019	FY2020	FY2020
	(4/1/19-3/31/20)	(4/1/20-3/31/21)	(4/1/20-3/31/21)
Batteries	45,065	45,580	\$430.85
Electronic Devices	17,057	15,963	\$150.89
Total	62,123	61,543	\$581.75

(Notes for the Consolidated Operating Results (from 1.a to 1.d))

- All amounts less than one million yen have been disregarded.
- U.S. dollar amounts are translated from yen, for convenience only, at the rate of \$1=105.79 yen.
- The percentage in this statement presents rate of change compared with the previous fiscal year.

2. Consolidated Forecast for the year ending March 31, 2022

(Million of yen, except per share data)

	<u>FY2021</u>	<u>Change from FY2020</u>	<u>FY2020</u>
Net Sales	60,000	-2.5 %	61,543
Operating Profit	1,900	9.0 %	1,743
Ordinary Profit	1,500	17.7 %	1,274
Profit attributable to owners of parent	1,600	-20.4 %	2,009
Basic Earnings Per Share	46.37 yen	- yen	58.24 yen

3. Others

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

Consolidated Subsidiaries	11 companies
Unconsolidated Subsidiaries (equity method applied)	3 companies
Affiliates (equity method applied only)	0 companies

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

- 1) Changes in accounting policies based on revisions of accounting standards: No
- 2) Changes in accounting policies other than ones based on revisions of accounting standard: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Number of issued and outstanding shares (common stock)

- 1) Number of issued and outstanding shares at the end of fiscal year. (including treasury stock)
March 31, 2021: 34,536,302 shares March 31, 2020: 34,536,302 shares
- 2) Number of treasury stock at the end of fiscal year
March 31, 2021: 29,057 shares March 31, 2020: 28,537 shares
- 3) Average number of shares
March 31, 2021: 34,507,561 shares March 31, 2020: 34,508,154 shares

(Notes)

1. This information is a summary of the earnings report. It does not contain all details included in the earnings report disclosed in Japanese.

Consolidated Balance Sheet

Millions of yen

	FY2019	FY2020
	Mar 31, 2020	Mar 31, 2021
Assets		
Current assets		
Cash and deposits	9,063	7,001
Notes and accounts receivable-trade	15,347	15,986
Merchandise and finished goods	2,569	2,786
Work in process	2,302	2,109
Raw materials and supplies	2,905	3,169
Other	1,163	1,323
Allowance for doubtful accounts	(26)	(33)
Total current assets	<u>33,326</u>	<u>32,344</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,735	5,675
Machinery, equipment and vehicles, net	4,135	4,632
Tools, furniture and fixtures, net	697	852
Land	2,531	2,185
Leased assets, net	203	233
Construction in progress	91	1,198
Total property, plant and equipment	<u>13,395</u>	<u>14,776</u>
Intangible assets	<u>466</u>	<u>434</u>
Investments and other assets		
Investment securities	165	219
Long-term loans receivable	1	-
Deferred tax assets	26	38
Other	305	251
Allowance for doubtful accounts	(0)	-
Total investments and other assets	<u>498</u>	<u>509</u>
Total non-current assets	<u>14,359</u>	<u>15,719</u>
Total assets	<u>47,685</u>	<u>48,064</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,044	8,739
Electronically recorded obligations - operating	3,561	3,987
Short-term borrowings	18,800	14,900
Lease obligations	184	69
Accounts payable-other	1,479	3,038
Income taxes payable	292	313
Other	2,733	2,729
Total current liabilities	<u>36,095</u>	<u>33,779</u>
Non-current liabilities		
Lease obligations	198	150
Deferred tax liabilities	197	349
Retirement benefit liability	3,884	2,603
Long-term accounts payable - other	187	192
Other	384	100
Total non-current liabilities	<u>4,850</u>	<u>3,396</u>
Total liabilities	<u>40,946</u>	<u>37,175</u>
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,376	26,257
Retained earnings	(48,176)	(46,166)
Treasury shares	(48)	(49)
Total shareholders' equity	<u>9,860</u>	<u>11,750</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	38
Foreign currency translation adjustment	(110)	885
Remeasurements of defined benefit plans	(3,021)	(1,792)
Total accumulated other comprehensive income	<u>(3,126)</u>	<u>(868)</u>
Non-controlling interests	<u>5</u>	<u>5</u>
Total net assets	<u>6,739</u>	<u>10,888</u>
Total liabilities and net assets	<u>47,685</u>	<u>48,064</u>

Consolidated Statement of Income
Millions of yen

	FY2019	FY2020
	Apr'19-Mar'20	Apr'20-Mar'21
Net sales	62,123	61,543
Cost of sales	50,976	50,120
Gross profit	11,146	11,423
Selling, general and administrative expenses	10,305	9,679
Operating profit	841	1,743
Non-operating income		
Interest income	28	26
Foreign exchange gains	69	-
Dividend income	-	18
Gain on sales of non-current assets	3	64
Rental income	28	18
Other	95	56
Total non-operating income	225	183
Non-operating expenses		
Interest expenses	136	123
Foreign exchange losses	-	438
Share of loss of entities accounted for using equity method	15	-
Loss on retirement of non-current assets	284	35
Other	65	55
Total non-operating expenses	501	653
Ordinary profit	565	1,274
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	968
Gain on sales of investments in capital of subsidiaries and associates	331	-
Total extraordinary income	331	968
Extraordinary losses		
Impairment loss	1,317	15
Business restructuring expenses	864	-
Loss on sale of businesses	745	-
Total extraordinary losses	2,926	15
Profit (loss) before income taxes	(2,030)	2,227
Income taxes-current	256	223
Income taxes-deferred	52	(5)
Total income taxes	309	217
Profit (loss)	(2,339)	2,010
Profit attributable to non-controlling interests	1	0
Profit (loss) attributable to owners of parent	(2,340)	2,009

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2019	FY2020
	Apr'19-Mar'20	Apr'20-Mar'21
Profit (loss)	<u>(2,339)</u>	<u>2,010</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	33
Foreign currency translation adjustment	(497)	995
Remeasurements of defined benefit plans, net of tax	(255)	1,228
Share of other comprehensive income of entities accounted for using equity method	(419)	-
Total Other comprehensive income	<u>(1,195)</u>	<u>2,258</u>
Comprehensive income	<u>(3,534)</u>	<u>4,268</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	<u>(3,535)</u>	<u>4,267</u>
Comprehensive income attributable to non-controlling interests	<u>1</u>	<u>0</u>

Consolidated Statement of Changes in Equity
Millions of yen

FY2019 (Apr'19-Mar'20)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	31,709	26,376	(45,829)	(48)	12,207
Cumulative effects of changes in accounting policies			(5)		(5)
Restated balance	31,709	26,376	(45,835)	(48)	12,201
Changes during period					
Loss attributable to owners of parent			(2,340)		(2,340)
Purchases of treasury shares				(0)	(0)
Change in scope of consolidation		-			-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	(2,340)	(0)	(2,341)
Ending balance	31,709	26,376	(48,176)	(48)	9,860

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Beginning balance	27	806	(2,765)	(1,931)	4	10,280
Cumulative effects of changes in accounting policies						(5)
Restated balance	27	806	(2,765)	(1,931)	4	10,274
Changes during period						
Loss attributable to owners of parent						(2,340)
Purchases of treasury shares						(0)
Change in scope of consolidation						-
Net changes of items other than shareholders' equity	(22)	(916)	(255)	(1,195)	1	(1,193)
Total changes during period	(22)	(916)	(255)	(1,195)	1	(3,535)
Ending balance	4	(110)	(3,021)	(3,126)	5	6,739

Consolidated Statement of Changes in Equity
Millions of yen

FY2020 (Apr'20-Mar'21)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	31,709	26,376	(48,176)	(48)	9,860
Cumulative effects of changes in accounting policies			-		-
Restated balance	31,709	26,376	(48,176)	(48)	9,860
Changes during period					
Profit attributable to owners of parent			2,009		2,009
Purchases of treasury shares				(0)	(0)
Change in scope of consolidation		(119)			(119)
Net changes of items other than shareholders' equity					-
Total changes during period	-	(119)	2,009	(0)	1,889
Ending balance	31,709	26,257	(46,166)	(49)	11,750

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Beginning balance	4	(110)	(3,021)	(3,126)	5	6,739
Cumulative effects of changes in accounting policies						-
Restated balance	4	(110)	(3,021)	(3,126)	5	6,739
Changes during period						
Profit attributable to owners of parent						2,009
Purchases of treasury shares						(0)
Change in scope of consolidation						(119)
Net changes of items other than shareholders' equity	33	995	1,228	2,258	0	2,258
Total changes during period	33	995	1,228	2,258	0	4,148
Ending balance	38	885	(1,792)	(868)	5	10,888

Consolidated Statement of Cash Flows
Millions of yen

	FY2019	FY2020
	Apr'19-Mar'20	Apr'20-Mar'21
Cash flows from operating activities		
Profit (loss) before income taxes	(2,030)	2,227
Depreciation	2,131	1,984
Impairment loss	1,317	15
Loss (gain) on sale of shares of subsidiaries and associates	-	(968)
Increase (decrease) in net defined benefit liability	(865)	(414)
Increase (decrease) in allowance for doubtful accounts	(73)	4
Interest and dividend income	(41)	(29)
Interest expenses	136	123
Foreign exchange losses (gains)	0	(0)
Share of loss(profit) of entities accounted for using equity method	15	-
Loss (gain) on sales of property, plant and equipment	(3)	(64)
Loss on retirement of non-current assets	284	35
Loss (gain) on sale of businesses	745	-
Loss (gain) on sale of shares of subsidiaries and associates	(331)	-
Subsidy income	-	(18)
Decrease (increase) in trade receivables	2,777	(175)
Decrease (increase) in inventories	788	(1,073)
Increase (decrease) in trade payables	(1,178)	364
Increase (decrease) in accrued expenses	(208)	288
Other, net	(329)	41
Subtotal	3,134	2,340
Interest and dividend received	41	29
Proceeds from subsidy income	-	18
Interest paid	(138)	(126)
Income taxes paid	(238)	(265)
Net cash provided by (used in) operating activities	2,799	1,996
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,154)	(2,142)
Proceeds from sales of property, plant and equipment	21	114
Purchase of intangible assets	(59)	(15)
Purchase of investment securities	(4)	(4)
Proceeds from sales of shares of subsidiaries and associates	-	1,674
Proceeds from sales of shares of investments in capital of subsidiaries and associates	7	-
Payments for transfer of business	(1,205)	-
Other, net	4	(0)
Net cash provided by (used in) investing activities	(2,390)	(373)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	400	(3,900)
Purchase of treasury shares	(0)	(0)
Repayments of finance lease obligations	(300)	(176)
Net cash provided by (used in) financing activities	99	(4,077)
Effect of exchange rate change on cash and cash equivalents	(178)	392
Net increase (decrease) in cash and cash equivalents	328	(2,061)
Cash and cash equivalents at beginning of period	8,734	9,063
Cash and cash equivalents at end of period	9,063	7,001

Consolidated Business Segment Information
Millions of yen

FY2019 Apr'20-Mar'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	45,065	17,057	62,123	-	62,123
Intersegment	-	-	-	-	-
Total	45,065	17,057	62,123	-	62,123
Segment profit (loss)	1,514	(673)	841	-	841
Segment assets	29,943	13,608	43,552	4,133	47,685
Other items					
Depreciation	1,859	272	2,131	-	2,131
Investment to entities accounted for using equity method	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	1,181	239	1,421	-	1,421

FY2020 Apr'20-Mar'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	45,580	15,963	61,543	-	61,543
Intersegment	-	-	-	-	-
Total	45,580	15,963	61,543	-	61,543
Segment profit	1,429	314	1,743	-	1,743
Segment assets	31,815	13,830	45,646	2,418	48,064
Other items					
Depreciation	1,746	238	1,984	-	1,984
Investment to entities accounted for using equity method	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	3,683	164	3,847	-	3,847