

Consolidated Financial Results for the First Quarter Ended June 30, 2020
(April 1, 2020 to June 30, 2020)

FDK CORPORATION

(URL: <https://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, 2020

a. Consolidated Statements of Income

	Yen (millions)		Change (%)	Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30, 2019	Three months ended June 30, 2020		FY2019, ended Mar. 31, 2020	Three months ended June 30, 2020
Net Sales	16,430	14,256	(13.2)	62,123	\$132.32
Operating Profit (Loss)	(209)	444	-	841	\$4.12
Ordinary Profit (Loss)	(298)	355	-	565	\$3.29
Profit (Loss) attributable to owners of parent	(1,194)	296	-	(2,340)	\$2.75

Amounts Per Share of Common Stock:

	2019	2020	FY2019, ended Mar. 31, 2020	2020
Basic Earnings (Loss)	(34.62) yen	8.60 yen	(67.82) yen	7.98 cent
Diluted Earnings	- yen	- yen	- yen	- cent

b. Net Sales by Business Segment

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30, 2019	Three months ended June 30, 2020	FY2019, ended Mar. 31, 2020	Three months ended June 30, 2020
Batteries	11,242	10,432	45,065	\$96.83
Electronic Devices	5,187	3,824	17,057	\$35.49
Total	16,430	14,256	62,123	\$132.32

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2020	As of June 30, 2020
Total Assets	47,685	47,447
Net Assets	6,739	7,143
Owners' Equity	6,734	7,138
Capital Adequacy Ratio	14.1 %	15.0 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash Flows from Operating Activities	(499)	(53)
Cash Flows from Investing Activities	(474)	(464)
Cash Flows from Financing Activities	1,420	260
Cash and Cash Equivalents at End of Period	9,029	8,796

(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 107.74 yen=\$1
- The percentage in this statement presents rate of change compared with the same period last year.

2. Consolidated Forecast for the year ending March 31, 2021

Consolidated forecast for the year ending March 31, 2021 is yet to be determined.

3. Others

(1) Material changes in significant subsidiaries during the period: No

Consolidated Subsidiaries	12 companies
Unconsolidated Subsidiaries (equity method applied)	3 companies
Affiliates (equity method applied only)	0 companies

(2) Applying of specific accounting of the consolidated quarterly financial statements: No

(3) Changes in accounting policies, accounting estimates, and retrospective restatement

- 1) Changes in accounting policies based on revisions of accounting standard: 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

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

- 1) Number of issued and outstanding shares at the end of fiscal year. (including treasury stock)
June 30, 2020: 34,536,302 shares March 31, 2020: 34,536,302 shares
- 2) Number of treasury stock at the end of each period
June 30, 2020: 28,572 shares March 31, 2020: 28,537 shares
- 3) Average number of shares in each period.
June 30, 2020: 34,507,748 shares June 30, 2019: 34,508,503 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	Q1/FY2020
	Mar 31, 2020	Jun 30, 2020
Assets		
Current assets		
Cash and deposits	9,063	8,796
Notes and accounts receivable-trade	15,347	14,682
Merchandise and finished goods	2,569	3,128
Work in process	2,302	2,414
Raw materials and supplies	2,905	3,259
Other	1,163	817
Allowance for doubtful accounts	△ 26	△ 30
Total current assets	<u>33,326</u>	<u>33,069</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,735	5,602
Machinery, equipment and vehicles, net	4,135	4,030
Tools, furniture and fixtures, net	697	701
Land	2,531	2,529
Leased assets, net	203	183
Construction in progress	91	184
Total property, plant and equipment	<u>13,395</u>	<u>13,231</u>
Intangible assets	<u>466</u>	<u>461</u>
Investments and other assets		
Investment securities	165	213
Long-term loans receivable	1	-
Deferred tax assets	26	28
Other	305	442
Allowance for doubtful accounts	△ 0	△ 0
Total investments and other assets	<u>498</u>	<u>684</u>
Total non-current assets	<u>14,359</u>	<u>14,378</u>
Total assets	<u>47,685</u>	<u>47,447</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,044	9,043
Electronically recorded obligations - operating	3,561	3,584
Short-term borrowings	18,800	19,130
Lease obligations	184	140
Accounts payable-other	1,479	1,404
Income taxes payable	292	194
Other	2,733	2,100
Total current liabilities	<u>36,095</u>	<u>35,598</u>
Non-current liabilities		
Lease obligations	198	170
Deferred tax liabilities	197	187
Retirement benefit liability	3,884	3,726
Long-term accounts payable - other	187	187
Other	384	433
Total non-current liabilities	<u>4,850</u>	<u>4,705</u>
Total liabilities	<u>40,946</u>	<u>40,304</u>
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,376	26,376
Retained earnings	△ 48,176	△ 47,879
Treasury shares	△ 48	△ 48
Total shareholders' equity	<u>9,860</u>	<u>10,157</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	37
Foreign currency translation adjustment	△ 110	△ 117
Remeasurements of defined benefit plans	△ 3,021	△ 2,939
Total accumulated other comprehensive income	<u>△ 3,126</u>	<u>△ 3,019</u>
Non-controlling interests	<u>5</u>	<u>5</u>
Total net assets	<u>6,739</u>	<u>7,143</u>
Total liabilities and net assets	<u>47,685</u>	<u>47,447</u>

Consolidated Statement of Income
Millions of yen

	Q1/FY2019	Q1/FY2020
	Apr'19-Jun'19	Apr'20-Jun'20
Net sales	16,430	14,256
Cost of sales	13,881	11,529
Gross profit	2,548	2,726
Selling, general and administrative expenses	2,758	2,282
Operating profit (loss)	△ 209	444
Non-operating income		
Interest income	8	17
Dividend income	11	1
Subsidy income	-	18
Gain on sales of non-current assets	0	0
Rental income	3	5
Other	16	9
Total non-operating income	39	52
Non-operating expenses		
Interest expenses	33	33
Foreign exchange losses	30	86
Share of loss of entities accounted for using equity method	15	-
Loss on retirement of non-current assets	37	3
Other	9	16
Total non-operating expenses	127	141
Ordinary profit (loss)	△ 298	355
Extraordinary losses		
Provision for loss on sale of businesses	745	-
Impairment loss	57	-
Total extraordinary losses	802	-
Profit (loss) before income taxes	△ 1,100	355
Income taxes-current	77	88
Income taxes-deferred	16	△ 29
Total income taxes	94	58
Profit (loss)	△ 1,194	296
Profit attributable to non-controlling interests	0	0
Profit (loss) attributable to owners of parent	△ 1,194	296

Consolidated Statement of Comprehensive Income
Millions of yen

	Q1/FY2019	Q1/FY2020
	Apr'19-Jun'19	Apr'20-Jun'20
Profit (loss)	△ 1,194	296
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 4	32
Foreign currency translation adjustment	△ 458	△ 7
Remeasurements of defined benefit plans, net of tax	101	81
Share of other comprehensive income of entities accounted for using equity method	△ 132	-
Total Other comprehensive income	△ 493	106
Comprehensive income	△ 1,688	403
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	△ 1,688	403
Comprehensive income attributable to non-controlling interests	0	0

Consolidated Statement of Cash Flows
Millions of yen

	Q1/FY2019 Apr'19-Jun'19	Q1/FY2020 Apr'20-Jun'20
Cash flows from operating activities		
Profit (loss) before income taxes	△ 1,100	355
Depreciation	531	493
Impairment loss	57	-
Increase (decrease) in provision for loss on sale of businesses	745	-
Increase (decrease) in retirement benefit liability	△ 130	△ 157
Increase (decrease) in allowance for doubtful accounts	△ 3	3
Interest and dividend income	△ 19	△ 18
Interest expenses	33	33
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	△ 0	△ 0
Loss on retirement of non-current assets	37	3
Subsidy income	-	△ 18
Decrease (increase) in trade receivables	△ 22	662
Decrease (increase) in inventories	303	△ 1,019
Increase (decrease) in trade payables	△ 948	20
Increase (decrease) in accrued expenses	△ 445	△ 486
Other, net	524	186
Subtotal	△ 420	58
Interest and dividend received	19	18
Proceeds from subsidy income	-	18
Interest paid	△ 30	△ 37
Income taxes paid	△ 68	△ 110
Net cash provided by (used in) operating activities	△ 499	△ 53
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 475	△ 454
Proceeds from sales of property, plant and equipment	5	1
Purchase of intangible assets	△ 1	△ 10
Purchase of investment securities	△ 1	△ 1
Other, net	△ 1	0
Net cash provided by (used in) investing activities	△ 474	△ 464
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,510	330
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease obligations	△ 89	△ 69
Net cash provided by (used in) financing activities	1,420	260
Effect of exchange rate change on cash and cash equivalents	△ 151	△ 9
Net increase (decrease) in cash and cash equivalents	294	△ 266
Cash and cash equivalents at beginning of period	8,734	9,063
Cash and cash equivalents at end of period	9,029	8,796

Consolidated Business Segment Information
Millions of yen

Q1/FY2019 Apr'19-Jun'19

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	11,242	5,187	16,430	-	16,430
Intersegment	-	-	-	-	-
Total	11,242	5,187	16,430	-	16,430
Segment profit (loss)	25	△ 235	△ 209	-	△ 209

Q1/FY2020 Apr'20-Jun'20

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	10,432	3,824	14,256	-	14,256
Intersegment	-	-	-	-	-
Total	10,432	3,824	14,256	-	14,256
Segment profit	387	56	444	-	444