

Consolidated Financial Results for the First Half of FY2020
(April 1, 2020 to September 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 Six-Months Period Ended September 30, 2020

a. Consolidated Statements of Income

	Yen (millions)		Change (%)	Yen (millions)	U.S.Dollars (millions)
	Six months ended Sept. 30, 2019	Six months ended Sept. 30, 2020		FY2019, ended Mar. 31, 2020	Six months ended Sept. 30, 2020
Net Sales	31,986	29,975	(6.3)	62,123	\$283.29
Operating Profit	36	963	-	841	\$9.10
Ordinary Profit (Loss)	(37)	709	-	565	\$6.70
Profit (Loss) attributable to owners of parent	(685)	502	-	(2,340)	\$4.74

Amounts Per Share of Common Stock:

Basic Earnings (Loss)	(19.87) yen	14.55 yen	(67.82) yen	13.76 cent
Diluted Earnings	- yen	- yen	- yen	- cent

b. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Six months ended Sept. 30, 2019	Six months ended Sept. 30, 2020	FY2019, ended Mar. 31, 2020	Six months ended Sept. 30, 2020
Batteries	22,697	22,266	45,065	\$210.43
Electronic Devices	9,288	7,709	17,057	\$72.86
Total	31,986	29,975	62,123	\$283.29

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2020	As of Sept. 30, 2020
Total Assets	47,685	47,268
Net Assets	6,739	7,558
Owners' Equity	6,734	7,553
Capital Adequacy Ratio	14.1 %	16.0 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Six months ended Sept. 30, 2019	Six months ended Sept. 30, 2020
Cash Flows from Operating Activities	2,038	365
Cash Flows from Investing Activities	(1,944)	(917)
Cash Flows from Financing Activities	630	(660)
Cash and Cash Equivalents at End of Period	9,208	7,869

(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 105.81 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 2020 ending March 31, 2021

(Million of yen, except per share data)

	FY2020	Change from FY2019	FY2019
Net Sales	59,000	(5.0) %	62,123
Operating Profit	1,300	54.5	841
Ordinary Profit	900	59.3 %	565
Profit (Loss) attributable to owners of parent	1,500	- %	(2,340)
Basic Earnings per Share	43.47 yen	-	(67.82) yen

Note for the use of the above forecasted business results.

The financial forecast described above is based upon information available as of October 27, 2020.

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)
September 30, 2020: 34,536,302 shares March 31, 2020: 34,536,302 shares
- 2) Number of treasury stock at the end of each period
September 30, 2020: 28,727 shares March 31, 2020: 28,537 shares
- 3) Average number of shares in each period.
September 30, 2020: 34,507,691 shares September 30, 2019: 34,508,407 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	Q2/FY2020
	Mar 31, 2020	Sep 30, 2020
Assets		
Current assets		
Cash and deposits	9,063	7,869
Notes and accounts receivable-trade	15,347	15,423
Merchandise and finished goods	2,569	2,832
Work in process	2,302	2,644
Raw materials and supplies	2,905	3,320
Other	1,163	890
Allowance for doubtful accounts	26	22
Total current assets	<u>33,326</u>	<u>32,958</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,735	5,518
Machinery, equipment and vehicles, net	4,135	4,030
Tools, furniture and fixtures, net	697	654
Land	2,531	2,523
Leased assets, net	203	166
Construction in progress	91	373
Total property, plant and equipment	<u>13,395</u>	<u>13,265</u>
Intangible assets	466	449
Investments and other assets		
Investment securities	165	227
Long-term loans receivable	1	-
Deferred tax assets	26	32
Other	305	334
Allowance for doubtful accounts	0	-
Total investments and other assets	<u>498</u>	<u>594</u>
Total non-current assets	<u>14,359</u>	<u>14,309</u>
Total assets	<u>47,685</u>	<u>47,268</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,044	8,937
Electronically recorded obligations - operating	3,561	3,455
Short-term borrowings	18,800	18,280
Lease obligations	184	92
Accounts payable-other	1,479	1,130
Income taxes payable	292	409
Other	2,733	2,802
Total current liabilities	<u>36,095</u>	<u>35,107</u>
Non-current liabilities		
Lease obligations	198	145
Deferred tax liabilities	197	199
Retirement benefit liability	3,884	3,643
Long-term accounts payable - other	187	189
Other	384	424
Total non-current liabilities	<u>4,850</u>	<u>4,602</u>
Total liabilities	<u>40,946</u>	<u>39,710</u>
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,376	26,376
Retained earnings	48,176	47,673
Treasury shares	48	48
Total shareholders' equity	<u>9,860</u>	<u>10,362</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	46
Foreign currency translation adjustment	110	1
Remeasurements of defined benefit plans	3,021	2,857
Total accumulated other comprehensive income	<u>3,126</u>	<u>2,809</u>
Non-controlling interests	5	5
Total net assets	<u>6,739</u>	<u>7,558</u>
Total liabilities and net assets	<u>47,685</u>	<u>47,268</u>

Consolidated Statement of Income
Millions of yen

	Q2/FY2019	Q2/FY2020
	Apr'19-Sep'19	Apr'20-Sep'20
Net sales	31,986	29,975
Cost of sales	26,554	24,246
Gross profit	5,431	5,728
Selling, general and administrative expenses	5,395	4,765
Operating profit	36	963
Non-operating income		
Interest income	18	18
Dividend income	11	1
Subsidy income	-	18
Foreign exchange gains	13	-
Gain on sales of non-current assets	0	63
Rental income	10	10
Other	36	32
Total non-operating income	90	145
Non-operating expenses		
Interest expenses	70	68
Foreign exchange losses	-	284
Share of loss of entities accounted for using equity method	15	-
Loss on retirement of non-current assets	46	17
Other	31	28
Total non-operating expenses	△164	399
Ordinary profit (loss)	37	709
Extraordinary income		
Gain on sales of investments in capital of subsidiaries and associates	331	-
Total extraordinary income	331	-
Extraordinary losses		
Loss on sale of businesses	745	-
Impairment loss	60	4
Total extraordinary losses	△ 805	4
Profit (loss) before income taxes	512	705
Income taxes-current	148	△225
Income taxes-deferred	24	22
Total income taxes	△ 173	202
Profit (loss)	685	502
Profit attributable to non-controlling interests	△ 0	0
Profit (loss) attributable to owners of parent	685	502

Consolidated Statement of Comprehensive Income
Millions of yen

	Q2/FY2019	Q2/FY2020
	Apr'19-Sep'19	Apr'20-Sep'20
	<u> </u>	<u> </u>
Profit (loss)	685	502
Other comprehensive income		
Valuation difference on available-for-sale securities	8	41
Foreign currency translation adjustment	680	111
Remeasurements of defined benefit plans, net of tax	△ 339	163
Share of other comprehensive income of entities accounted for using equity method	419	-
Total Other comprehensive income	<u>770</u>	<u>316</u>
Comprehensive income	<u>1,455</u>	<u>819</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	<u>1,455</u>	<u>818</u>
Comprehensive income attributable to non-controlling interests	<u>0</u>	<u>0</u>

Consolidated Statement of Cash Flows
Millions of yen

	Q2/FY2019	Q2/FY2020
	Apr'19-Sep'19	Apr'20-Sep'20
Cash flows from operating activities	△	
Profit (loss) before income taxes	512	705
Depreciation	1,060	977
Impairment loss	60	4
Loss (gain) on sale of businesses	△ 745	-
Loss (gain) on sale of investments in capital of subsidiaries and associates	△ 331	△ -
Increase (decrease) in retirement benefit liability	△ 237	△ 239
Increase (decrease) in allowance for doubtful accounts	△ 75	△ 5
Interest and dividend income	30	20
Interest expenses	70	68
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	63
Loss on retirement of non-current assets	46	△ 17
Subsidy income	-	△ 18
Decrease (increase) in trade receivables	1,396	△ 57
Decrease (increase) in inventories	△ 600	△ 1,007
Increase (decrease) in trade payables	877	205
Increase (decrease) in accrued expenses	△ 422	326
Other, net	154	75
Subtotal	2,199	557
Interest and dividend received	30	20
Proceeds from subsidy income	△ -	△ 18
Interest paid	△ 75	△ 73
Income taxes paid	116	157
Net cash provided by (used in) operating activities	2,038	365
Cash flows from investing activities	△	△
Purchase of property, plant and equipment	708	1,020
Proceeds from sales of property, plant and equipment	△ 24	△ 113
Purchase of intangible assets	△ 55	△ 10
Purchase of investment securities	△ 2	2
Payments for transfer of business	1,205	-
Other, net	△ 2	△ 3
Net cash provided by (used in) investing activities	1,944	917
Cash flows from financing activities		△
Net increase (decrease) in short-term borrowings	△ 790	△ 520
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease obligations	159	△ 140
Net cash provided by (used in) financing activities	△ 630	660
Effect of exchange rate change on cash and cash equivalents	249	△ 19
Net increase (decrease) in cash and cash equivalents	473	1,193
Cash and cash equivalents at beginning of period	8,734	9,063
Cash and cash equivalents at end of period	9,208	7,869

Consolidated Business Segment Information
Millions of yen

Q2/FY2019 Apr'19-Sep'19

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	22,697	9,288	31,986	-	31,986
Intersegment	-	-	-	-	-
Total	22,697	9,288	31,986	-	31,986
Segment profit (loss)	423	386	36	-	36

Q2/FY2020 Apr'20-Sep'20

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	22,226	7,709	29,975	-	29,975
Intersegment	-	-	-	-	-
Total	22,226	7,709	29,975	-	29,975
Segment profit	881	81	963	-	963