

Consolidated Financial Results for the First Quarter Ended June 30, 2021
(April 1, 2021 to June 30, 2021)

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, 2021

a. Consolidated Statements of Income

	Yen (millions)		Change (%)	Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30, 2020	Three months ended June 30, 2021		FY2020, ended Mar. 31, 2021	Three months ended June 30, 2021
Net Sales	14,256	14,866	4.3	61,543	\$134.40
Operating Profit	444	729	64.1	1,743	\$6.59
Ordinary Profit	355	691	94.3	1,274	\$6.25
Profit attributable to owners of parent	296	1,074	262.3	2,009	\$9.71

Amounts Per Share of Common Stock:

Basic Earnings	8.60 yen	31.15 yen	58.24 yen	28.16 cent
Diluted Earnings	- yen	- yen	- yen	- cent

b. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Three months ended June 30, 2020	Three months ended June 30, 2021	FY2020, ended Mar. 31, 2021	Three months ended June 30, 2021
Batteries	10,432	10,439	45,580	\$94.38
Electronic Devices	3,824	4,427	15,963	\$40.02
Total	14,256	14,866	61,543	\$134.40

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2021	As of June 30, 2021
Total Assets	48,064	44,909
Net Assets	10,888	11,799
Owners' Equity	10,882	11,794
Capital Adequacy Ratio	22.6 %	26.3 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash Flows from Operating Activities	(53)	519
Cash Flows from Investing Activities	(464)	(1,395)
Cash Flows from Financing Activities	260	(2,838)
Cash and Cash Equivalents at End of Period	8,796	3,333

(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 110.61 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, 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

Note for the use of the above forecasted business results.

The financial forecast described above is based upon information available as of April 27, 2021.

3. Others

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

Consolidated Subsidiaries	10 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: Yes
- 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, 2021: 34,536,302 shares March 31, 2021: 34,536,302 shares
- 2) Number of treasury stock at the end of each period
June 30, 2021: 29,447 shares March 31, 2021: 29,057 shares
- 3) Average number of shares in each period.
June 30, 2021: 34,507,106 shares June 30, 2020: 34,507,748 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

	FY2020 Mar 31, 2021	FY2021 Jun 30, 2021
Assets		
Current assets		
Cash and deposits	7,001	3,333
Notes and accounts receivable-trade	15,986	0
Notes and accounts receivable - trade, and contract assets	0	16,192
Merchandise and finished goods	2,786	3,140
Work in process	2,109	2,348
Raw materials and supplies	3,169	3,468
Other	1,323	763
Allowance for doubtful accounts	(33)	(35)
Total current assets	32,344	29,212
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,675	5,593
Machinery, equipment and vehicles, net	4,632	5,736
Tools, furniture and fixtures, net	852	861
Land	2,185	2,187
Leased assets, net	233	213
Construction in progress	1,198	119
Total property, plant and equipment	14,776	14,713
Intangible assets	434	475
Investments and other assets		
Investment securities	219	225
Deferred tax assets	38	33
Other	251	249
Total investments and other assets	509	508
Total non-current assets	15,719	15,697
Total assets	48,064	44,909
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,739	9,146
Electronically recorded obligations - operating	3,987	4,208
Short-term borrowings	14,900	12,080
Lease obligations	69	68
Accounts payable-other	3,038	2,005
Income taxes payable	313	125
Other	2,729	2,328
Total current liabilities	33,779	29,963
Non-current liabilities		
Lease obligations	150	133
Deferred tax liabilities	349	214
Retirement benefit liability	2,603	2,504
Long-term accounts payable - other	192	192
Other	100	101
Total non-current liabilities	3,396	3,145
Total liabilities	37,175	33,109
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,257	26,225
Retained earnings	(46,166)	(45,098)
Treasury shares	(49)	(49)
Total shareholders' equity	11,750	12,785
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	42
Foreign currency translation adjustment	885	693
Remeasurements of defined benefit plans	(1,792)	(1,727)
Total accumulated other comprehensive income	(868)	(991)
Non-controlling interests	5	5
Total net assets	10,888	11,799
Total liabilities and net assets	48,064	44,909

Consolidated Statement of Income
Millions of yen

	FY2020	FY2021
	Apr'20-Jun'20	Apr'21-Jun'21
Net sales	14,256	14,866
Cost of sales	11,529	11,807
Gross profit	2,726	3,058
Selling, general and administrative expenses	2,282	2,329
Operating profit	444	729
Non-operating income		
Interest income	17	1
Dividend income	1	1
Subsidy income	18	37
Gain on sales of non-current assets	0	0
Rental income	5	2
Other	9	20
Total non-operating income	52	64
Non-operating expenses		
Interest expenses	33	23
Foreign exchange losses	86	68
Loss on retirement of non-current assets	3	6
Other	16	3
Total non-operating expenses	141	102
Ordinary profit	355	691
Extraordinary income		
Gain on liquidation of subsidiaries and associates	0	459
Total extraordinary income	0	459
Profit before income taxes	355	1,151
Income taxes-current	88	75
Income taxes-deferred	(29)	0
Total income taxes	58	76
Profit	296	1,074
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	296	1,074

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2020	FY2021
	Apr'20-Jun'20	Apr'21-Jun'21
Profit (loss)	296	1,074
Other comprehensive income		
Valuation difference on available-for-sale securities	32	3
Foreign currency translation adjustment	(7)	(191)
Remeasurements of defined benefit plans, net of tax	81	64
Total Other comprehensive income	106	(123)
Comprehensive income	403	951
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	403	951
Comprehensive income attributable to non-controlling interests	0	(0)

Consolidated Statement of Cash Flows
Millions of yen

	FY2020	FY2021
	Apr'20-Jun'20	Apr'21-Jun'21
Cash flows from operating activities		
Profit before income taxes	355	1,151
Depreciation	493	579
Loss (gain) on liquidation of subsidiaries and associates	0	(459)
Increase (decrease) in retirement benefit liability	(157)	(99)
Increase (decrease) in allowance for doubtful accounts	3	1
Interest and dividend income	(18)	(3)
Interest expenses	33	23
Foreign exchange losses (gains)	0	(0)
Loss (gain) on sales of property, plant and equipment	(0)	(0)
Loss on retirement of non-current assets	3	6
Subsidy income	(18)	(37)
Decrease (increase) in trade receivables	662	(114)
Decrease (increase) in inventories	(1,019)	(857)
Increase (decrease) in trade payables	20	539
Increase (decrease) in accrued expenses	(486)	(815)
Other, net	186	713
Subtotal	58	628
Interest and dividend received	18	3
Subsidies received	18	37
Interest paid	(37)	(23)
Income taxes paid	(110)	(125)
Net cash provided by (used in) operating activities	(53)	519
Cash flows from investing activities		
Purchase of property, plant and equipment	(454)	(1,343)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(10)	(53)
Purchase of investment securities	(1)	(1)
Other, net	0	4
Net cash provided by (used in) investing activities	(464)	(1,394)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	330	(2,820)
Purchase of treasury shares	(0)	(0)
Repayments of finance lease obligations	(69)	(17)
Net cash provided by (used in) financing activities	260	(2,838)
Effect of exchange rate change on cash and cash equivalents	(9)	44
Net increase (decrease) in cash and cash equivalents	(266)	(3,667)
Cash and cash equivalents at beginning of period	9,063	7,001
Cash and cash equivalents at end of period	8,796	3,333

Consolidated Business Segment Information
Millions of yen

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	0	14,256
Intersegment	0	0	0	0	0
Total	10,432	3,824	14,256	0	14,256
Segment profit	387	56	444	0	444

FY2021 Apr'21-Jun'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	10,439	4,427	14,866	0	14,866
Intersegment	0	0	0	0	0
Total	10,439	4,427	14,866	0	14,866
Segment profit	451	277	729	0	729