

Consolidated Financial Results for the First Half of FY2021
(April 1, 2021 to September 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 Six-Months Period Ended September 30, 2021

a. Consolidated Statements of Income

	Yen (millions)		Change (%)	Yen (millions)	U.S.Dollars (millions)
	Six months ended Sept. 30, 2020	Six months ended Sept. 30, 2021		FY2020, ended Mar. 31, 2021	Six months ended Sept. 30, 2021
	Net Sales	29,975		30,570	2.0
Operating Profit	963	1,392	44.5	1,743	\$12.66
Ordinary Profit	709	1,302	83.5	1,274	\$11.84
Profit attributable to owners of parent	502	1,441	187.1	2,009	\$13.11

Amounts Per Share of Common Stock:

	Yen	Yen	Yen	U.S.Dollars
Basic Earnings	14.55 yen	41.79 yen	58.24 yen	38.02 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, 2020	Six months ended Sept. 30, 2021	FY2020, ended Mar. 31, 2021	Six months ended Sept. 30, 2021
	Batteries	22,266	21,832	45,580
Electronic Devices	7,709	8,737	15,963	\$79.49
Total	29,975	30,570	61,543	\$278.11

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2021	As of Sept. 30, 2021
	Total Assets	48,064
Net Assets	10,888	12,311
Owners' Equity	10,882	12,305
Capital Adequacy Ratio	22.6 %	27.1 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Six months ended Sept. 30, 2020	Six months ended Sept. 30, 2021
	Cash Flows from Operating Activities	365
Cash Flows from Investing Activities	(917)	(2,650)
Cash Flows from Financing Activities	(660)	(3,135)
Cash and Cash Equivalents at End of Period	7,869	3,022

(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 109.92 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)	2 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)
Sept. 30, 2021: 34,536,302 shares March 31, 2021: 34,536,302 shares
- 2) Number of treasury stock at the end of each period
Sept. 30, 2021: 29,477 shares March 31, 2021: 29,057 shares
- 3) Average number of shares in each period.
Sept. 30, 2021: 34,506,988 shares Sept. 30, 2020: 34,507,691 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	FY2021
	Mar 31, 2021	Sep 30, 2021
Assets		
Current assets		
Cash and deposits	7,001	3,022
Notes and accounts receivable-trade	15,986	-
Notes and accounts receivable - trade, and contract assets	-	16,445
Merchandise and finished goods	2,786	3,149
Work in process	2,109	2,314
Raw materials and supplies	3,169	3,658
Other	1,323	992
Allowance for doubtful accounts	△ 33	△ 36
Total current assets	32,344	29,547
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,675	5,598
Machinery, equipment and vehicles, net	4,632	5,782
Tools, furniture and fixtures, net	852	851
Land	2,185	2,189
Leased assets, net	233	194
Construction in progress	1,198	215
Total property, plant and equipment	14,776	14,831
Intangible assets	434	487
Investments and other assets		
Investment securities	219	195
Deferred tax assets	38	29
Other	251	240
Total investments and other assets	509	465
Total non-current assets	15,719	15,785
Total assets	48,064	45,332
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,739	8,976
Electronically recorded obligations - operating	3,987	4,647
Short-term borrowings	14,900	11,800
Lease obligations	69	68
Accounts payable-other	3,038	1,776
Income taxes payable	313	500
Other	2,729	2,186
Total current liabilities	33,779	29,955
Non-current liabilities		
Lease obligations	150	116
Deferred tax liabilities	349	254
Retirement benefit liability	2,603	2,405
Long-term accounts payable - other	192	186
Other	100	103
Total non-current liabilities	3,396	3,065
Total liabilities	37,175	33,021
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,257	26,225
Retained earnings	△ 46,166	△ 44,731
Treasury shares	△ 49	△ 50
Total shareholders' equity	11,750	13,152
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	41
Foreign currency translation adjustment	885	774
Remeasurements of defined benefit plans	△ 1,792	△ 1,662
Total accumulated other comprehensive income	△ 868	△ 847
Non-controlling interests	5	5
Total net assets	10,888	12,311
Total liabilities and net assets	48,064	45,332

Consolidated Statement of Income
Millions of yen

	FY2020	FY2021
	Apr'20-Sep'20	Apr'21-Sep'21
Net sales	29,975	30,570
Cost of sales	24,246	24,455
Gross profit	5,728	6,114
Selling, general and administrative expenses	4,765	4,721
Operating profit	963	1,392
Non-operating income		
Interest income	18	6
Dividend income	1	1
Subsidy income	18	37
Gain on sales of non-current assets	63	1
Rental income	10	5
Other	32	45
Total non-operating income	145	99
Non-operating expenses		
Interest expenses	68	50
Foreign exchange losses	284	99
Loss on retirement of non-current assets	17	34
Other	28	4
Total non-operating expenses	399	189
Ordinary profit	709	1,302
Extraordinary income		
Gain on liquidation of subsidiaries and associates	-	459
Total extraordinary income	-	13
Extraordinary losses		472
Impairment loss	4	-
Total extraordinary losses	4	-
Profit before income taxes	705	1,774
Income taxes-current	225	287
Income taxes-deferred	△ 22	45
Total income taxes	202	332
Profit	502	1,441
Profit (loss) attributable to non-controlling interests	0	△ 0
Profit attributable to owners of parent	502	1,441

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2020	FY2021
	Apr'20-Sep'20	Apr'21-Sep'21
Profit	502	1,441
Other comprehensive income		
Valuation difference on available-for-sale securities	41	2
Foreign currency translation adjustment	111	△ 111
Remeasurements of defined benefit plans, net of tax	163	129
Total Other comprehensive income	316	21
Comprehensive income	819	1,462
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	818	1,462
Comprehensive income attributable to non-controlling interests	0	△ 0

Consolidated Statement of Cash Flows
Millions of yen

	FY2020 Apr'20-Sep'20	FY2021 Apr'21-Sep'21
Cash flows from operating activities		
Profit before income taxes	705	1,774
Depreciation	977	1,175
Impairment loss	4	-
Loss (gain) on sales of shares of subsidiaries and associates	-	△ 13
Loss (gain) on liquidation of subsidiaries and associates	-	△ 459
Increase (decrease) in retirement benefit liability	△ 239	△ 198
Increase (decrease) in allowance for doubtful accounts	△ 5	2
Interest and dividend income	△ 20	△ 8
Interest expenses	68	50
Foreign exchange losses (gains)	0	△ 0
Loss (gain) on sales of property, plant and equipment	△ 63	△ 1
Loss on retirement of non-current assets	17	34
Subsidy income	△ 18	△ 37
Decrease (increase) in trade receivables	△ 57	△ 313
Decrease (increase) in inventories	△ 1,007	△ 999
Increase (decrease) in trade payables	△ 205	769
Increase (decrease) in accrued expenses	326	△ 282
Other, net	75	342
Subtotal	557	1,835
Interest and dividend received	20	8
Subsidies received	18	37
Interest paid	△ 73	△ 53
Income taxes paid	△ 157	△ 92
Net cash provided by (used in) operating activities	365	1,735
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 1,020	△ 2,617
Proceeds from sales of property, plant and equipment	113	2
Purchase of intangible assets	△ 10	△ 79
Purchase of investment securities	△ 2	△ 2
Proceeds from sales of shares of subsidiaries and associates	-	43
Other, net	3	2
Net cash provided by (used in) investing activities	△ 917	△ 2,650
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△ 520	△ 3,100
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease obligations	△ 140	△ 35
Net cash provided by (used in) financing activities	△ 660	△ 3,135
Effect of exchange rate change on cash and cash equivalents	19	71
Net increase (decrease) in cash and cash equivalents	△ 1,193	△ 3,979
Cash and cash equivalents at beginning of period	9,063	7,001
Cash and cash equivalents at end of period	7,869	3,022

Consolidated Business Segment Information
Millions of yen

FY2020 Apr'20-Sep'20

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	22,266	7,709	29,975	-	29,975
Intersegment	-	-	-	-	-
Total	22,266	7,709	29,975	-	29,975
Segment profit	881	81	963	-	963

FY2021 Apr'21-Sep'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	21,832	8,737	30,570	-	30,570
Intersegment	-	-	-	-	-
Total	21,832	8,737	30,570	-	30,570
Segment profit	975	417	1,392	-	1,392