

Consolidated Financial Results for the Third Quarter Ended December 31, 2021
(April 1, 2021 to December 31, 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 Nine-Months Period Ended December 31, 2021

a. Consolidated Statements of Income

	Yen (millions)		Change (%)	Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021		FY2020, ended Mar. 31, 2021	Nine months ended Dec. 31, 2021
	Net Sales	45,354		45,621	0.6
Operating Profit	1,373	1,966	43.2	1,743	\$17.71
Ordinary Profit	895	1,832	104.6	1,274	\$16.50
Profit attributable to owners of parent	1,655	1,907	15.2	2,009	\$17.18

Amounts Per Share of Common Stock:

	Yen	Yen	Yen	U.S.Dollars
Basic Earnings	47.97 yen	55.27 yen	58.24 yen	50.24 cent
Diluted Earnings	- yen	- yen	- yen	- cent

b. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021	FY2020, ended Mar. 31, 2021	Nine months ended Dec. 31, 2021
	Batteries	33,851	32,363	45,580
Electronic Devices	11,503	13,258	15,963	\$119.44
Total	45,354	45,621	61,543	\$411.00

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2021	As of Dec. 31, 2021
	Total Assets	48,064
Net Assets	10,888	13,148
Owners' Equity	10,882	13,142
Capital Adequacy Ratio	22.6 %	28.1 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
	Cash Flows from Operating Activities	1,042
Cash Flows from Investing Activities	342	(3,336)
Cash Flows from Financing Activities	(3,159)	(2,763)
Cash and Cash Equivalents at End of Period	7,362	3,098

(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 111.00 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)
Dec. 31, 2021: 34,536,302 shares March 31, 2021: 34,536,302 shares
- 2) Number of treasury stock at the end of each period
Dec. 31, 2021: 29,661 shares March 31, 2021: 29,057 shares
- 3) Average number of shares in each period.
Dec. 31, 2021: 34,506,909 shares Dec. 31, 2020: 34,507,644 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	Dec 31, 2021
Assets		
Current assets		
Cash and deposits	7,001	3,098
Notes and accounts receivable-trade	15,986	-
Notes and accounts receivable - trade and contract assets	-	16,422
Merchandise and finished goods	2,786	3,682
Work in process	2,109	2,530
Raw materials and supplies	3,169	4,218
Other	1,323	1,211
Allowance for doubtful accounts	△ 33	△ 35
Total current assets	<u>32,344</u>	<u>31,127</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,675	5,508
Machinery, equipment and vehicles, net	4,632	5,738
Tools, furniture and fixtures, net	852	823
Land	2,185	2,194
Leased assets, net	233	175
Construction in progress	1,198	286
Total property, plant and equipment	<u>14,776</u>	<u>14,727</u>
Intangible assets	<u>434</u>	<u>515</u>
Investments and other assets		
Investment securities	219	197
Deferred tax assets	38	31
Other	251	228
Total investments and other assets	<u>509</u>	<u>458</u>
Total non-current assets	<u>15,719</u>	<u>15,701</u>
Total assets	<u>48,064</u>	<u>46,829</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,739	9,843
Electronically recorded obligations - operating	3,987	4,787
Short-term borrowings	14,900	12,190
Lease obligations	69	67
Accounts payable - other	3,038	1,710
Income taxes payable	313	306
Other	2,729	1,812
Total current liabilities	<u>33,779</u>	<u>30,715</u>
Non-current liabilities		
Lease obligations	150	100
Deferred tax liabilities	349	270
Retirement benefit liability	2,603	2,311
Long-term accounts payable - other	192	175
Other	100	106
Total non-current liabilities	<u>3,396</u>	<u>2,964</u>
Total liabilities	<u>37,175</u>	<u>33,680</u>
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,257	26,225
Retained earnings	△ 46,166	△ 44,266
Treasury shares	△ 49	△ 50
Total shareholders' equity	<u>11,750</u>	<u>13,617</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	41
Foreign currency translation adjustment	885	1,081
Remeasurements of defined benefit plans	△ 1,792	△ 1,598
Total accumulated other comprehensive income	<u>△ 868</u>	<u>△ 475</u>
Non-controlling interests	<u>5</u>	<u>5</u>
Total net assets	<u>10,888</u>	<u>13,148</u>
Total liabilities and net assets	<u>48,064</u>	<u>46,829</u>

Consolidated Statement of Income
Millions of yen

	FY2020	FY2021
	Apr'20-Dec'20	Apr'21-Dec'21
Net sales	45,354	45,621
Cost of sales	36,808	36,579
Gross profit	8,545	9,041
Selling, general and administrative expenses	7,171	7,074
Operating profit	1,373	1,966
Non-operating income		
Interest income	25	7
Dividend income	3	3
Subsidy income	18	37
Gain on sale of non-current assets	64	1
Rental income	15	8
Other	49	65
Total non-operating income	176	124
Non-operating expenses		
Interest expenses	96	75
Foreign exchange losses	485	133
Loss on retirement of non-current assets	28	40
Other	44	9
Total non-operating expenses	654	258
Ordinary profit	895	1,832
Extraordinary income		
Gain on liquidation of subsidiaries and associates	-	459
Gain on sale of shares of subsidiaries and associates	968	13
Total extraordinary income	968	472
Extraordinary losses		
Impairment losses	15	-
Total extraordinary losses	15	-
Profit before income taxes	1,849	2,305
Income taxes-current	215	337
Income taxes-deferred	△ 22	60
Total income taxes	193	398
Profit	1,655	1,907
Profit (loss) attributable to non-controlling interests	0	△ 0
Profit attributable to owners of parent	1,655	1,907

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2020	FY2021
	Apr'20-Dec'20	Apr'21-Dec'21
	<u> </u>	<u> </u>
Profit	1,655	1,907
Other comprehensive income		
Valuation difference on available-for-sale securities	31	2
Foreign currency translation adjustment	571	196
Remeasurements of defined benefit plans, net of tax	281	194
Total Other comprehensive income	<u>884</u>	<u>393</u>
Comprehensive income	<u>2,540</u>	<u>2,300</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	<u>2,539</u>	<u>2,300</u>
Comprehensive income attributable to non-controlling interests	<u>0</u>	<u>△ 0</u>

Consolidated Statement of Cash Flows
Millions of yen

	FY2020 Apr'20-Dec'20	FY2021 Apr'21-Dec'21
Cash flows from operating activities		
Profit before income taxes	1,849	2,305
Depreciation	1,466	1,768
Impairment loss	15	-
Loss (gain) on sale of shares of subsidiaries and associates	△ 968	△ 13
Loss (gain) on liquidation of subsidiaries and associates	-	△ 459
Increase (decrease) in retirement benefit liability	△ 329	△ 292
Increase (decrease) in allowance for doubtful accounts	6	1
Interest and dividend income	△ 28	△ 11
Interest expenses	96	75
Foreign exchange losses (gains)	2	△ 0
Loss (gain) on sale of property, plant and equipment	△ 64	△ 1
Loss on retirement of non-current assets	28	40
Subsidy income	△ 18	△ 37
Decrease (increase) in trade receivables	20	△ 39
Decrease (increase) in inventories	△ 1,650	△ 2,198
Increase (decrease) in trade payables	909	1,541
Increase (decrease) in accrued expenses	△ 482	△ 769
Other, net	492	376
Subtotal	<u>1,344</u>	<u>2,287</u>
Interest and dividends received	28	11
Subsidies received	18	37
Interest paid	△ 100	△ 77
Income taxes paid	△ 248	△ 232
Net cash provided by (used in) operating activities	<u>1,042</u>	<u>2,026</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 1,354	△ 3,263
Proceeds from sale of property, plant and equipment	114	2
Purchase of intangible assets	△ 15	△ 116
Purchase of investment securities	△ 4	△ 4
Proceeds from sale of shares of subsidiaries and associates	1,600	43
Other, net	0	2
Net cash provided by (used in) investing activities	<u>342</u>	<u>△ 3,336</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△ 3,000	△ 2,710
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease obligations	△ 158	△ 52
Net cash provided by (used in) financing activities	<u>△ 3,159</u>	<u>△ 2,763</u>
Effect of exchange rate change on cash and cash equivalents	<u>73</u>	<u>170</u>
Net increase (decrease) in cash and cash equivalents	<u>△ 1,701</u>	<u>△ 3,903</u>
Cash and cash equivalents at beginning of period	<u>9,063</u>	<u>7,001</u>
Cash and cash equivalents at end of period	<u>7,362</u>	<u>3,098</u>

Consolidated Business Segment Information
Millions of yen

FY2020 Apr'20-Dec'20

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	33,851	11,503	45,354	-	45,354
Intersegment	-	-	-	-	-
Total	33,851	11,503	45,354	-	45,354
Segment profit	1,271	101	1,373	-	1,373

FY2021 Apr'21-Dec'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	32,363	13,258	45,621	-	45,621
Intersegment	-	-	-	-	-
Total	32,363	13,258	45,621	-	45,621
Segment profit	1,387	579	1,966	-	1,966