

May. 30, 2022

FDK CORPORATION

President: Ryo Nagano

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**(Correction) Partial correction to
“Fiscal Year 2021 Consolidated Financial Results (April 1, 2021 to March 31, 2022)”**

FDK CORPORATION (“FDK”) announces that some parts of the “Fiscal Year 2021 Consolidated Financial Results (April 1, 2021 to March 31, 2022)” announced on April 27, 2022 require correction.

1. Reason for correction

Due to errors in the recognition of deferred tax assets related to the elimination of unrealized gains on inventories in the consolidated financial statements and in the cost estimates of foreign consolidated subsidiaries, FDK has decided to revise the “Fiscal Year 2021 Consolidated Financial Results (April 1, 2021 to March 31, 2022)”.

2. Details of correction

Due to the large number of corrections, the corrected parts are underlined.

Fiscal Year 2021 Consolidated Financial Results
(April 1, 2021 to March 31, 2022)

FDK CORPORATION

(URL: <https://www.fdk.com>)

Listing Code No. 6955 (Listing Stock Exchange: Standard of Tokyo Stock Exchange)
 Address: Shibaura Crystal Shinagawa, 1-6-41 Konan, Minato-ku, Tokyo 108-8212 Japan
 Contact: Corporate Business Planning Office
 E-mail: prir-tyo@fdk.co.jp
 Date of general shareholders' meeting (as planned): June 28, 2022
 Annual securities report filing date (as planned): June 28, 2022
 The Consolidated Financial Results is unaudited/U.S. GAPP is not applied

1. Consolidated Financial Results for FY2021 ended March 31, 2022

a. Consolidated Statements of Income

	Yen (millions)		Change (%)
	FY2020 (4/1/20-3/31/21)	FY2021 (4/1/21-3/31/22)	
Net Sales	61,543	61,456	-0.1
Operating Profit	1,743	<u>2,083</u>	<u>19.5</u>
Ordinary Profit	1,274	<u>1,968</u>	<u>54.5</u>
Profit attributable to owners of parent	2,009	<u>740</u>	<u>-63.1</u>

Amounts Per Share of Common Stock:

Basic Earnings per share	58.24 yen	<u>21.47</u> yen
Diluted Earnings per share	- yen	- yen
Rate of Return on Equity	22.8 %	<u>6.4</u> %
Ordinary Profit to Total Assets Ratio	2.7 %	<u>4.1</u> %
Operating Profit to Net Sales Ratio	2.8 %	<u>3.4</u> %

b. Consolidated Financial Positions

	Yen (millions)	
	As of Mar. 31, 2021	As of Mar. 31, 2022
Total Assets	48,064	<u>46,903</u>
Net Assets	10,888	<u>12,460</u>
Owner's Equity	10,882	<u>12,454</u>
Capital Adequacy Ratio	22.6 %	<u>26.6</u> %
Net Assets Per Share	315.37 yen	<u>360.92</u> yen

c. Consolidated Cash Flows

	Yen (millions)	
	FY2020 (4/1/20-3/31/21)	FY2021 (4/1/21-3/31/22)
Cash Flows from Operating Activities	1,996	2,177
Cash Flows from Investing Activities	(373)	(3,920)
Cash Flows from Financing Activities	(4,077)	(2,780)
Cash and Cash Equivalents at End of Period	7,001	2,763

d. Net Sales by Business Segment

	Yen (millions)	Yen (millions)
	FY2020	FY2021
	<u>(4/1/20-3/31/21)</u>	<u>(4/1/21-3/31/22)</u>
Batteries	45,580	43,082
Electronic Devices	15,963	18,373
Total	61,543	61,456

(Notes for the Consolidated Operating Results (from 1.a to 1.d))

1. All amounts less than one million yen have been disregarded.
2. The percentage in this statement presents rate of change compared with the previous fiscal year.

2. Consolidated Forecast for the year ending March 31, 2023

(Million of yen, except per share data)

	FY2022	Change from FY2021	FY2021
Net Sales	63,000	2.5 %	61,456
Operating Profit	1,200	-42.4 %	<u>2,083</u>
Ordinary Profit	1,000	-49.2 %	<u>1,968</u>
Profit attributable to owners of parent	700	-5.5 %	<u>740</u>
Basic Earnings Per Share	20.29 yen	- yen	<u>21.47</u> yen

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) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

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

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

- 1) Number of issued and outstanding shares at the end of fiscal year. (including treasury stock)

March 31, 2022: 34,536,302 shares	March 31, 2021: 34,536,302 shares
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- 2) Number of treasury stock at the end of fiscal year

March 31, 2022: 29,738 shares	March 31, 2021: 29,057 shares
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- 3) Average number of shares

March 31, 2022: 34,506,829 shares	March 31, 2021: 34,507,561 shares
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(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	Mar 31, 2022
Assets		
Current assets		
Cash and deposits	7,001	2,763
Notes and accounts receivable-trade	15,986	-
Notes and accounts receivable - trade and contract assets	-	17,262
Merchandise and finished goods	2,786	3,651
Work in process	2,109	2,589
Raw materials and supplies	3,169	4,416
Other	1,323	1,351
Allowance for doubtful accounts	△ 33	△ 37
Total current assets	<u>32,344</u>	<u>31,995</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,675	5,314
Machinery, equipment and vehicles, net	4,632	5,341
Tools, furniture and fixtures, net	852	797
Land	2,185	2,181
Leased assets, net	233	137
Construction in progress	1,198	259
Total property, plant and equipment	<u>14,776</u>	<u>14,032</u>
Intangible assets	434	275
Investments and other assets		
Investment securities	219	200
Deferred tax assets	38	182
Other	251	217
Total investments and other assets	<u>509</u>	<u>600</u>
Total non-current assets	<u>15,719</u>	<u>14,908</u>
Total assets	<u>48,064</u>	<u>46,903</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	8,739	9,625
Electronically recorded obligations - operating	3,987	4,684
Short-term borrowings	14,900	12,190
Lease liabilities	69	66
Accounts payable - other	3,038	1,774
Income taxes payable	313	681
Other	2,729	2,429
Total current liabilities	<u>33,779</u>	<u>31,450</u>
Non-current liabilities		
Lease liabilities	150	84
Deferred tax liabilities	349	301
Retirement benefit liability	2,603	2,288
Long-term accounts payable - other	192	168
Other	100	150
Total non-current liabilities	<u>3,396</u>	<u>2,992</u>
Total liabilities	<u>37,175</u>	<u>34,443</u>
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,257	26,225
Retained earnings	△ 46,166	△ 45,432
Treasury shares	△ 49	△ 50
Total shareholders' equity	<u>11,750</u>	<u>12,451</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38	43
Foreign currency translation adjustment	885	1,564
Remeasurements of defined benefit plans	△ 1,792	△ 1,605
Total accumulated other comprehensive income	<u>△ 868</u>	<u>△ 2</u>
Non-controlling interests	5	5
Total net assets	<u>10,888</u>	<u>12,460</u>
Total liabilities and net assets	<u>48,064</u>	<u>46,903</u>

(TRANSLATION FOR REFERENCE ONLY)

Consolidated Statement of Income
Millions of yen

	FY2020	FY2021
	Apr'20-Mar'21	Apr'21-Mar'22
Net sales	61,543	61,456
Cost of sales	50,120	<u>49,803</u>
Gross profit	11,423	<u>11,652</u>
Selling, general and administrative expenses	9,679	<u>9,569</u>
Operating profit	1,743	<u>2,083</u>
Non-operating income		
Interest income	26	7
Subsidy income	18	37
Gain on sale of non-current assets	64	1
Rental income	18	11
Gain on sale of scraps	8	18
Other	47	65
Total non-operating income	183	142
Non-operating expenses		
Interest expenses	123	99
Foreign exchange losses	438	79
Loss on retirement of non-current assets	35	67
Other	55	10
Total non-operating expenses	653	256
Ordinary profit	1,274	<u>1,968</u>
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	1,213
Total extraordinary losses	15	1,213
Profit before income taxes	2,227	<u>1,228</u>
Income taxes-current	223	<u>542</u>
Income taxes-deferred	△ 5	<u>△ 55</u>
Total income taxes	217	<u>487</u>
Profit	2,010	<u>740</u>
Profit (loss) attributable to non-controlling interests	0	△ 0
Profit attributable to owners of parent	2,009	<u>740</u>

(TRANSLATION FOR REFERENCE ONLY)

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2020	FY2021
	Apr'20-Mar'21	Apr'21-Mar'22
Profit	2,010	<u>740</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	33	4
Foreign currency translation adjustment	995	<u>679</u>
Remeasurements of defined benefit plans, net of tax	1,228	187
Total Other comprehensive income	<u>2,258</u>	<u>870</u>
Comprehensive income	<u>4,268</u>	<u>1,611</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	4,267	<u>1,611</u>
Comprehensive income attributable to non-controlling interests	<u>0</u>	<u>△ 0</u>

Consolidated Statement of Changes in Equity
Millions of yen

FY2020 (Apr'20-Mar'21)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	31,709	26,376	△ 48,176	△ 48	9,860
Cumulative effects of changes in accounting policies			-		-
Restated balance	31,709	26,376	△ 48,176	△ 48	9,860
Changes during period					
Profit attributable to owners of parent			2,009		2,009
Purchases of treasury shares				△ 0	△ 0
Change in scope of consolidation		△ 119			△ 119
Net changes of items other than shareholders' equity					-
Total changes during period	-	△ 119	2,009	△ 0	1,889
Ending balance	31,709	26,257	△ 46,166	△ 49	11,750

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Beginning balance	4	△ 110	△ 3,021	△ 3,126	5	6,739
Cumulative effects of changes in accounting policies						-
Restated balance	4	△ 110	△ 3,021	△ 3,126	5	6,739
Changes during period						
Profit attributable to owners of parent						2,009
Purchases of treasury shares						△ 0
Change in scope of consolidation						△ 119
Net changes of items other than shareholders' equity	33	995	1,228	2,258	0	2,258
Total changes during period	33	995	1,228	2,258	0	4,148
Ending balance	38	885	△ 1,792	△ 868	5	10,888

Consolidated Statement of Changes in Equity
Millions of yen

FY2021 (Apr'21-Mar'22)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	31,709	26,257	△ 46,166	△ 49	11,750
Cumulative effects of changes in accounting policies			△ 6		△ 6
Restated balance	31,709	26,257	△ 46,173	△ 49	11,743
Changes during period					
Profit attributable to owners of parent			740		740
Purchases of treasury shares				△ 0	△ 0
Change in scope of consolidation		△ 32			△ 32
Net changes of items other than shareholders' equity					-
Total changes during period	-	△ 32	740	△ 0	707
Ending balance	31,709	26,225	△ 45,432	△ 50	12,451

	Accumulated other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total Accumulated other comprehensive income		
Beginning balance	38	885	△ 1,792	△ 868	5	10,888
Cumulative effects of changes in accounting policies						△ 6
Restated balance	38	885	△ 1,792	△ 868	5	10,881
Changes during period						
Profit attributable to owners of parent						740
Purchases of treasury shares						△ 0
Change in scope of consolidation						△ 32
Net changes of items other than shareholders' equity	4	679	187	870	△ 0	870
Total changes during period	4	679	187	870	△ 0	1,578
Ending balance	43	1,564	△ 1,605	△ 2	5	12,460

Consolidated Statement of Cash Flows
Millions of yen

	FY2020	FY2021
	Apr'20-Mar'21	Apr'21-Mar'22
Cash flows from operating activities		
Profit before income taxes	2,227	<u>1,228</u>
Depreciation	1,984	2,367
Impairment losses	15	1,213
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	△ 414	△ 387
Increase (decrease) in allowance for doubtful accounts	4	1
Interest and dividend income	△ 29	△ 11
Interest expenses	123	99
Foreign exchange losses (gains)	△ 0	△ 1
Loss (gain) on sale of property, plant and equipment	△ 64	△ 1
Loss on retirement of non-current assets	35	67
Subsidy income	△ 18	△ 37
Decrease (increase) in trade receivables	△ 175	△ 465
Decrease (increase) in inventories	△ 1,073	△ 2,222
Increase (decrease) in trade payables	364	880
Increase (decrease) in accrued expenses	288	△ 25
Other, net	41	<u>191</u>
Subtotal	<u>2,340</u>	<u>2,423</u>
Interest and dividends received	29	11
Subsidies received	18	37
Interest paid	△ 126	△ 100
Income taxes paid	△ 265	△ 194
Net cash provided by (used in) operating activities	<u>1,996</u>	<u>2,177</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 2,142	△ 3,826
Proceeds from sale of property, plant and equipment	114	3
Purchase of intangible assets	△ 15	△ 137
Purchase of investment securities	△ 4	△ 5
Proceeds from sale of shares of subsidiaries and associates	1,674	43
Other, net	△ 0	2
Net cash provided by (used in) investing activities	<u>△ 373</u>	<u>△ 3,920</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△ 3,900	△ 2,710
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease liabilities	△ 176	△ 69
Net cash provided by (used in) financing activities	<u>△ 4,077</u>	<u>△ 2,780</u>
Effect of exchange rate change on cash and cash equivalents	<u>392</u>	<u>284</u>
Net increase (decrease) in cash and cash equivalents	<u>△ 2,061</u>	<u>△ 4,238</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>7,001</u>	<u>2,763</u>

Consolidated Business Segment Information

Millions of yen

FY2020 Apr'20-Mar'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Unaffiliated customers	45,580	15,963	61,543	-	61,543
Intersegment	-	-	-	-	-
Total	45,580	15,963	61,543	-	61,543
Segment profit	1,429	314	1,743	-	1,743
Segment assets	31,815	13,830	45,646	2,418	48,064
Other items					
Depreciation	1,746	238	1,984	-	1,984
Increase in property, plant and equipment and intangible assets	3,683	164	3,847	-	3,847

FY2021 Apr'21-Mar'22

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Revenue from contracts with customers	43,082	18,373	61,456	-	61,456
Other revenue	-	-	-	-	-
Unaffiliated customers	43,082	18,373	61,456	-	61,456
Intersegment	-	-	-	-	-
Total	43,082	18,373	61,456	-	61,456
Segment profit	1,221	861	2,083	-	2,083
Segment assets	34,258	11,454	45,713	1,190	46,903
Other items					
Depreciation	2,047	320	2,367	-	2,367
Increase in property, plant and equipment and intangible assets	2,054	462	2,516	-	2,516