

Consolidated Financial Results for the Third Quarter Ended December 31, 2022
(April 1, 2022 to December 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
 The Consolidated Financial Results is unaudited/U.S. GAAP is not applied

1. Consolidated Results for the Nine-Months Period Ended December 31, 2022**a. Consolidated Statements of Income**

	Yen (millions)			Change (%)	Yen
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2022			(millions)
					FY2021, ended Mar. 31, 2022
Net Sales	45,621	46,814	2.6		61,456
Operating Profit	1,966	820	△ 58.3		2,083
Ordinary Profit	1,832	896	△ 51.1		1,968
Profit attributable to owners of parent	1,907	503	△ 73.6		740

Amounts Per Share of Common Stock:

Basic Earnings	55.27 yen	14.60 yen		21.47 yen
Diluted Earnings	- yen	- yen		- yen

b. Net Sales by Business Segment

	Yen	Yen	Yen
	(millions)	(millions)	(millions)
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2022	FY2021, ended Mar. 31, 2022
Batteries	32,363	31,004	43,082
Electronic Devices	13,258	15,810	18,373
Total	45,621	46,814	61,456

c. Consolidated Financial Position

	Yen (millions)	
	As of March 31, 2022	As of Dec. 31, 2022
Total Assets	46,903	47,630
Net Assets	12,460	13,253
Owners' Equity	12,454	13,246
Capital Adequacy Ratio	26.6 %	27.8 %

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Nine months ended Dec. 31, 2021	Nine months ended Dec. 31, 2022
	Cash Flows from Operating Activities	2,026
Cash Flows from Investing Activities	△ 3,336	△ 1,837
Cash Flows from Financing Activities	△ 2,763	△ 380
Cash and Cash Equivalents at End of Period	3,098	3,040

(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 same period last 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	62,000	0.9 %	61,456
Operating Profit	700	△ 66.4 %	2,083
Ordinary Profit	700	△ 64.4 %	1,968
Profit attributable to owners of parent	200	△ 73.0 %	740
Basic Earnings Per Share	5.80 yen	- yen	21.47 yen

(Note for the use of the above forecasted business results)**The financial forecast described above is based upon information available as of January 30, 2023.****3. Others**

- (1) Changes in significant subsidiaries during the nine months ended Dec. 31, 2022: No**
- (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)

December 31, 2022: 34,536,302 shares	March 31, 2022: 34,536,302 shares
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 - 2) Number of treasury stock at the end of each period

December 31, 2022: 29,989 shares	March 31, 2022: 29,738 shares
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 - 3) Average number of shares in each period.

December 31, 2022: 34,506,403 shares	December 31, 2021: 34,506,909 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

	FY2021	FY2022
	Mar 31, 2022	Dec 31, 2022
Assets		
Current assets		
Cash and deposits	2,763	3,040
Notes and accounts receivable - trade and contract assets	17,262	16,182
Merchandise and finished goods	3,651	3,353
Work in process	2,589	3,099
Raw materials and supplies	4,416	5,184
Other	1,351	1,655
Allowance for doubtful accounts	△ 37	△ 34
Total current assets	31,995	32,481
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,314	5,494
Machinery, equipment and vehicles, net	5,341	5,379
Tools, furniture and fixtures, net	797	954
Land	2,181	2,183
Leased assets, net	137	91
Construction in progress	259	327
Total property, plant and equipment	14,032	14,431
Intangible assets	275	302
Investments and other assets		
Investment securities	200	193
Deferred tax assets	182	32
Other	217	189
Total investments and other assets	600	414
Total non-current assets	14,908	15,148
Total assets	46,903	47,630
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,625	10,467
Electronically recorded obligations - operating	4,684	4,504
Short-term borrowings	12,190	11,860
Lease liabilities	66	65
Accounts payable - other	1,774	2,310
Income taxes payable	681	373
Other	2,429	1,785
Total current liabilities	31,450	31,366
Non-current liabilities		
Lease liabilities	84	34
Deferred tax liabilities	301	363
Retirement benefit liability	2,288	1,983
Long-term accounts payable - other	168	168
Other	150	459
Total non-current liabilities	2,992	3,010
Total liabilities	34,443	34,377
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,225	26,225
Retained earnings	△ 45,432	△ 44,928
Treasury shares	△ 50	△ 50
Total shareholders' equity	12,451	12,955
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43	35
Foreign currency translation adjustment	1,564	1,652
Remeasurements of defined benefit plans	△ 1,605	△ 1,395
Total accumulated other comprehensive income	2	291
Non-controlling interests	5	6
Total net assets	12,460	13,253
Total liabilities and net assets	46,903	47,630

Consolidated Statement of Income
Millions of yen

	FY2021	FY2022
	Apr'21-Dec'21	Apr'22-Dec'22
Net sales	45,621	46,814
Cost of sales	36,579	39,017
Gross profit	9,041	7,796
Selling, general and administrative expenses	7,074	6,976
Operating profit	1,966	820
Non-operating income		
Interest income	7	14
Dividend income	3	27
Subsidy income	37	37
Foreign exchange gains	-	140
Gain on sale of non-current assets	1	3
Rental income	8	17
Other	65	50
Total non-operating income	124	291
Non-operating expenses		
Interest expenses	75	74
Foreign exchange losses	133	-
Loss on retirement of non-current assets	40	133
Other	9	7
Total non-operating expenses	258	215
Ordinary profit	1,832	896
Extraordinary income		
Gain on liquidation of subsidiaries and associates	459	-
Gain on sale of shares of subsidiaries and associates	13	9
Subsidy income	-	200
Total extraordinary income	472	209
Extraordinary losses		
Impairment losses	-	75
Total extraordinary losses	-	75
Profit before income taxes	2,305	1,030
Income taxes-current	337	328
Income taxes-deferred	60	197
Total income taxes	398	526
Profit	1,907	504
Profit (loss) attributable to non-controlling interests	△ 0	0
Profit attributable to owners of parent	1,907	503

Consolidated Statement of Comprehensive Income
Millions of yen

	FY2021	FY2022
	Apr'21-Dec'21	Apr'22-Dec'22
	<u> </u>	<u> </u>
Profit	1,907	504
Other comprehensive income		
Valuation difference on available-for-sale securities	2	△ 7
Foreign currency translation adjustment	196	87
Remeasurements of defined benefit plans	194	209
Total Other comprehensive income	<u>393</u>	<u>289</u>
Comprehensive income	<u>2,300</u>	<u>793</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	<u>2,300</u>	<u>792</u>
Comprehensive income attributable to non-controlling interests	<u>△ 0</u>	<u>0</u>

Consolidated Statement of Cash Flows
Millions of yen

	FY2021	FY2022
	Apr'21-Dec'21	Apr'22-Dec'22
Cash flows from operating activities		
Profit before income taxes	2,305	1,030
Depreciation	1,768	1,707
Impairment losses	-	75
Loss (gain) on sale of shares of subsidiaries and associates	△ 13	△ 9
Loss (gain) on liquidation of subsidiaries and associates	△ 459	-
Increase (decrease) in retirement benefit liability	△ 292	△ 305
Increase (decrease) in allowance for doubtful accounts	1	△ 5
Interest and dividend income	△ 11	△ 41
Interest expenses	75	74
Foreign exchange losses (gains)	△ 0	△ 2
Loss (gain) on sale of property, plant and equipment	△ 1	△ 2
Loss on retirement of non-current assets	40	133
Subsidy income	△ 37	△ 237
Decrease (increase) in trade receivables	△ 39	1,316
Decrease (increase) in inventories	△ 2,198	△ 925
Increase (decrease) in trade payables	1,541	413
Increase (decrease) in accrued expenses	△ 769	△ 772
Other, net	376	245
Subtotal	<u>2,287</u>	<u>2,693</u>
Interest and dividends received	11	41
Subsidies received	37	237
Interest paid	△ 77	△ 75
Income taxes paid	△ 232	△ 473
Net cash provided by (used in) operating activities	<u>2,026</u>	<u>2,423</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△ 3,263	△ 1,788
Proceeds from sale of property, plant and equipment	2	4
Purchase of intangible assets	△ 116	△ 60
Purchase of investment securities	△ 4	△ 4
Proceeds from sale of shares of subsidiaries and associates	43	10
Other, net	2	1
Net cash provided by (used in) investing activities	<u>△ 3,336</u>	<u>△ 1,837</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	△ 2,710	△ 330
Purchase of treasury shares	△ 0	△ 0
Repayments of finance lease liabilities	△ 52	△ 49
Net cash provided by (used in) financing activities	<u>△ 2,763</u>	<u>△ 380</u>
Effect of exchange rate change on cash and cash equivalents	<u>170</u>	<u>71</u>
Net increase (decrease) in cash and cash equivalents	<u>△ 3,903</u>	<u>277</u>
Cash and cash equivalents at beginning of period	<u>7,001</u>	<u>2,763</u>
Cash and cash equivalents at end of period	<u>3,098</u>	<u>3,040</u>

Consolidated Business Segment Information

Millions of yen

FY2021 Apr'21-Dec'21

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Japan	16,132	10,028	26,161	-	26,161
Asia	5,197	3,185	8,382	-	8,382
Americas	3,776	-	3,776	-	37,776
Europe	7,178	44	7,222	-	7,222
Other	78	-	78	-	78
Revenue from contracts with customers	32,363	13,258	45,621	-	45,621
Other revenue	-	-	-	-	-
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

FY2022 Apr'22-Dec'22

	Business Segments Reported		Total	Adjustments	Consolidated Statements
	Batteries	Electronic Materials			
Net sales					
Japan	16,309	12,703	29,013	-	29,013
Asia	5,801	3,106	8,908	-	8,908
Americas	3,015	-	3,015	-	3,015
Europe	5,828	-	5,828	-	5,828
Other	48	-	48	-	48
Revenue from contracts with customers	31,004	15,810	46,814	-	46,814
Other revenue	-	-	-	-	-
Unaffiliated customers	31,004	15,810	46,814	-	46,814
Intersegment	-	-	-	-	-
Total	31,004	15,810	46,814	-	46,814
Segment profit	40	779	820	-	820