

Fiscal Year 2023 Consolidated Financial Results
(April 1, 2023 to March 31, 2024)

FDK CORPORATION

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

Listing Code No. 6955 (Listing Stock Exchange: Standard of Tokyo Stock Exchange)
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 Date of general shareholders' meeting (as planned): June 26, 2024
 Annual securities report filing date (as planned): June 26, 2024
 The Consolidated Financial Results is unaudited/U.S. GAPP is not applied

1. Consolidated Financial Results for FY2023 ended March 31, 2024

a. Consolidated Statements of Income

| | Yen (millions) | | Change (%) |
|--|----------------------------|----------------------------|------------|
| | FY2022 (4/1/22-3/31/23) | FY2023 (4/1/23-3/31/24) | |
| Net Sales | 62,784 | 62,676 | △ 0.2 |
| Operating Profit | 789 | 568 | △ 28.0 |
| Ordinary Profit | 851 | 720 | △ 15.5 |
| Profit attributable to owners of parent | 318 | 120 | △ 62.1 |

Amounts Per Share of Common Stock:

| | | |
|--|----------|----------|
| Basic Earnings per share | 9.22 yen | 3.50 yen |
| Diluted Earnings per share | - yen | - yen |
| Rate of Return on Equity | 2.5 % | 0.8 % |
| Ordinary Profit to Total Assets Ratio | 1.8 % | 1.5 % |
| Operating Profit to Net Sales Ratio | 1.3 % | 0.9 % |

b. Consolidated Financial Positions

| | Yen (millions) | |
|------------------------|------------------------|------------------------|
| | As of Mar. 31, 2023 | As of Mar. 31, 2024 |
| Total Assets | 47,130 | 51,556 |
| Net Assets | 13,196 | 15,645 |
| Owner's Equity | 13,190 | 15,543 |
| Capital Adequacy Ratio | 28.0 % | 30.1 % |
| Net Assets Per Share | 382.26 yen | 450.45 yen |

c. Consolidated Cash Flows

| | Yen (millions) | |
|---|----------------------------|----------------------------|
| | FY2022 (4/1/22-3/31/23) | FY2023 (4/1/23-3/31/24) |
| Cash Flows from Operating Activities | 2,783 | 1,620 |
| Cash Flows from Investing Activities | △ 2,978 | △ 2,533 |
| Cash Flows from Financing Activities | △ 116 | 1,813 |
| Cash and Cash Equivalents at End of Period | 2,571 | 3,715 |

d. Net Sales by Business Segment

| | Yen (millions) | Yen (millions) |
|---------------------------|-------------------|-------------------|
| | FY2022 | FY2023 |
| | (4/1/22-3/31/23) | (4/1/23-3/31/24) |
| Batteries | 42,163 | 47,729 |
| Electronic Devices | 20,620 | 14,947 |
| Total | 62,784 | 62,676 |

(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, 2025

(Million of yen, except per share data)

| | FY2024 | Change from FY2023 | FY2023 |
|---|----------|--------------------|----------|
| Net Sales | 63,000 | 0.5 % | 62,676 |
| Operating Profit | 1,000 | 75.9 % | 568 |
| Ordinary Profit | 800 | 11.1 % | 720 |
| Profit attributable to owners of parent | 200 | 65.7 % | 120 |
| Basic Earnings Per Share | 5.80 yen | - yen | 3.50 yen |

3. Others**(1) Material changes in significant subsidiaries during the period: Yes**

| | |
|---|--------------|
| 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: 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

(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, 2024: 34,536,302 shares | March 31, 2023: 34,536,302 shares |
|-----------------------------------|-----------------------------------|
- 2) Number of treasury stock at the end of fiscal year

| | |
|-------------------------------|-------------------------------|
| March 31, 2024: 30,665 shares | March 31, 2023: 30,232 shares |
|-------------------------------|-------------------------------|
- 3) Average number of shares

| | |
|-----------------------------------|-----------------------------------|
| March 31, 2024: 34,505,858 shares | March 31, 2023: 34,506,345 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

| | FY2022 | FY2023 |
|--|--------------|--------------|
| | Mar 31, 2023 | Mar 31, 2024 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,571 | 3,715 |
| Notes and accounts receivable - trade, and contract assets | 16,222 | 19,171 |
| Merchandise and finished goods | 2,965 | 2,858 |
| Work in process | 3,118 | 3,430 |
| Raw materials and supplies | 4,843 | 5,595 |
| Other | 2,135 | 1,866 |
| Allowance for doubtful accounts | △ 32 | △ 44 |
| Total current assets | 31,822 | 36,593 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 5,496 | 5,835 |
| Machinery, equipment and vehicles, net | 5,424 | 4,721 |
| Tools, furniture and fixtures, net | 1,009 | 1,012 |
| Land | 2,184 | 2,193 |
| Leased assets, net | 76 | 72 |
| Construction in progress | 286 | 323 |
| Total property, plant and equipment | 14,478 | 14,158 |
| Intangible assets | 412 | 374 |
| Investments and other assets | | |
| Investment securities | 193 | 234 |
| Deferred tax assets | 42 | 45 |
| Other | 179 | 150 |
| Total investments and other assets | 415 | 429 |
| Total non-current assets | 15,307 | 14,962 |
| Total assets | 47,130 | 51,556 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 9,752 | 10,876 |
| Electronically recorded obligations - operating | 4,656 | 4,323 |
| Short-term borrowings | 12,140 | 14,475 |
| Lease liabilities | 63 | 40 |
| Accounts payable - other | 1,459 | 1,610 |
| Income taxes payable | 499 | 366 |
| Other | 2,357 | 2,527 |
| Total current liabilities | 30,928 | 34,219 |
| Non-current liabilities | | |
| Lease liabilities | 20 | 40 |
| Deferred tax liabilities | 381 | 412 |
| Retirement benefit liability | 1,984 | 715 |
| Long-term accounts payable - other | 162 | 156 |
| Other | 456 | 365 |
| Total non-current liabilities | 3,005 | 1,691 |
| Total liabilities | 33,933 | 35,911 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 31,709 | 31,709 |
| Capital surplus | 26,225 | 26,225 |
| Retained earnings | △ 45,114 | △ 44,993 |
| Treasury shares | △ 50 | △ 51 |
| Total shareholders' equity | 12,769 | 12,889 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 34 | 59 |
| Foreign currency translation adjustment | 1,825 | 2,758 |
| Remeasurements of defined benefit plans | △ 1,439 | △ 164 |
| Total accumulated other comprehensive income | 420 | 2,653 |
| Non-controlling interests | 6 | 102 |
| Total net assets | 13,196 | 15,645 |
| Total liabilities and net assets | 47,130 | 51,556 |

Consolidated Statement of Income
Millions of yen

| | FY2022 | FY2023 |
|---|---------------|---------------|
| | Apr'22-Mar'23 | Apr'23-Mar'24 |
| Net sales | 62,784 | 62,676 |
| Cost of sales | 52,662 | 52,749 |
| Gross profit | 10,121 | 9,927 |
| Selling, general and administrative expenses | 9,332 | 9,358 |
| Operating profit | 789 | 568 |
| Non-operating income | | |
| Interest income | 27 | 64 |
| Dividend income | 27 | 23 |
| Subsidy income | 37 | - |
| Foreign exchange gains | 122 | 110 |
| Gain on sale of non-current assets | 3 | 4 |
| Rental income | 25 | 32 |
| Gain on sale of scraps | 21 | 15 |
| Other | 56 | 60 |
| Total non-operating income | 321 | 311 |
| Non-operating expenses | | |
| Interest expenses | 105 | 119 |
| Loss on retirement of non-current assets | 137 | 26 |
| Other | 16 | 14 |
| Total non-operating expenses | 259 | 160 |
| Ordinary profit | 851 | 720 |
| Extraordinary income | | |
| Gain on bargain purchase | - | 517 |
| Gain on sale of shares of subsidiaries and associates | 9 | - |
| Subsidy income | 200 | 128 |
| Total extraordinary income | 209 | 646 |
| Extraordinary losses | | |
| Impairment losses | 145 | 718 |
| Total extraordinary losses | 145 | 718 |
| Profit before income taxes | 916 | 647 |
| Income taxes-current | 393 | 369 |
| Income taxes for prior periods | - | 140 |
| Income taxes-deferred | 204 | 16 |
| Total income taxes | 597 | 526 |
| Profit | 318 | 121 |
| Profit attributable to non-controlling interests | 0 | 0 |
| Profit attributable to owners of parent | 318 | 120 |

Consolidated Statement of Comprehensive Income
Millions of yen

| | FY2022 | FY2023 |
|--|-----------------------------|-----------------------------|
| | Apr'22-Mar'23 | Apr'23-Mar'24 |
| | <u> </u> | <u> </u> |
| Profit | 318 | 121 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | △ 8 | 24 |
| Foreign currency translation adjustment | 260 | 932 |
| Remeasurements of defined benefit plans, net of tax | 165 | 1,275 |
| Total other comprehensive income | <u>418</u> | <u>2,231</u> |
| Comprehensive income | <u>736</u> | <u>2,352</u> |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | <u>736</u> | <u>2,353</u> |
| Comprehensive income attributable to non-controlling interests | <u>0</u> | <u>△ 0</u> |

Consolidated Statement of Changes in Equity
Millions of yen

FY2022 (Apr'22-Mar'23)

| | Shareholders' Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Beginning balance | 31,709 | 26,225 | △ 45,432 | △ 50 | 12,451 |
| Changes during period | | | | | |
| Profit attributable to owners of parent | | | 318 | | 318 |
| Purchases of treasury shares | | | | △ 0 | △ 0 |
| Change in scope of consolidation | | | | | |
| Net changes of items other than shareholders' equity | | | | | - |
| Total changes during period | - | - | 318 | △ 0 | 317 |
| Ending balance | 31,709 | 26,225 | △ 45,114 | △ 50 | 12,769 |

| | 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 | 43 | 1,564 | △ 1,605 | 2 | 5 | 12,460 |
| Changes during period | | | | | | |
| Profit attributable to owners of parent | | | | | | 318 |
| Purchases of treasury shares | | | | | | △ 0 |
| Change in scope of consolidation | | | | | | |
| Net changes of items other than shareholders' equity | △ 8 | 260 | 165 | 418 | 0 | 418 |
| Total changes during period | △ 8 | 260 | 165 | 418 | 0 | 736 |
| Ending balance | 34 | 1,825 | △ 1,439 | 420 | 6 | 13,196 |

Consolidated Statement of Changes in Equity
Millions of yen

FY2023 (Apr'23-Mar'24)

| | Shareholders' Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Beginning balance | 31,709 | 26,225 | △ 45,114 | △ 50 | 12,769 |
| Changes during period | | | | | |
| Profit attributable to owners of parent | | | 120 | | 120 |
| Purchases of treasury shares | | | | △ 0 | △ 0 |
| Change in scope of consolidation | | | | | |
| Net changes of items other than shareholders' equity | | | | | - |
| Total changes during period | - | - | 120 | △ 0 | 120 |
| Ending balance | 31,709 | 26,225 | △ 44,993 | △ 51 | 12,889 |

| | 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 | 34 | 1,825 | △ 1,439 | 420 | 6 | 13,196 |
| Changes during period | | | | | | |
| Profit attributable to owners of parent | | | | | | 120 |
| Purchases of treasury shares | | | | | | △ 0 |
| Change in scope of consolidation | | △ 11 | | △ 11 | 96 | 84 |
| Net changes of items other than shareholders' equity | 24 | 944 | 1,275 | 2,244 | △ 0 | 2,243 |
| Total changes during period | 24 | 933 | 1,275 | 2,232 | 95 | 2,448 |
| Ending balance | 59 | 2,758 | △ 164 | 2,653 | 102 | 15,645 |

Consolidated Statement of Cash Flows
Millions of yen

| | FY2022 Apr'22-Mar'23 | FY2023 Apr'23-Mar'24 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 916 | 647 |
| Depreciation | 2,291 | 2,405 |
| Impairment losses | 145 | 718 |
| Loss (gain) on sale of shares of subsidiaries and associates | △ 9 | - |
| Increase (decrease) in retirement benefit liability | △ 418 | △ 415 |
| Increase (decrease) in allowance for doubtful accounts | △ 7 | 5 |
| Interest and dividend income | △ 54 | △ 87 |
| Interest expenses | 105 | 119 |
| Foreign exchange losses (gains) | △ 3 | △ 1 |
| Loss (gain) on sale of property, plant and equipment | △ 2 | △ 4 |
| Loss on retirement of non-current assets | 137 | 26 |
| Gain on bargain purchase | - | △ 517 |
| Subsidy income | △ 237 | △ 128 |
| Decrease (increase) in trade receivables | 1,398 | △ 1,286 |
| Decrease (increase) in inventories | △ 124 | △ 77 |
| Increase (decrease) in trade payables | △ 266 | △ 31 |
| Increase (decrease) in accrued expenses | △ 129 | △ 267 |
| Other, net | △ 601 | 937 |
| Subtotal | 3,138 | 2,042 |
| Interest and dividends received | 54 | 87 |
| Subsidies received | 237 | 128 |
| Interest paid | △ 105 | △ 115 |
| Income taxes paid | △ 542 | △ 523 |
| Net cash provided by (used in) operating activities | 2,783 | 1,620 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | △ 2,804 | △ 2,040 |
| Proceeds from sale of property, plant and equipment | 4 | 5 |
| Purchase of intangible assets | △ 183 | △ 18 |
| Purchase of investment securities | △ 5 | △ 5 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidat | - | △ 475 |
| Proceeds from sale of shares of subsidiaries and associates | 10 | - |
| Other, net | △ 0 | 0 |
| Net cash provided by (used in) investing activities | △ 2,978 | △ 2,533 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | △ 50 | 1,887 |
| Purchase of treasury shares | △ 0 | △ 0 |
| Repayments of finance lease liabilities | △ 66 | △ 73 |
| Net cash provided by (used in) financing activities | △ 116 | 1,813 |
| Effect of exchange rate change on cash and cash equivalents | 119 | 243 |
| Net increase (decrease) in cash and cash equivalents | △ 192 | 1,144 |
| Cash and cash equivalents at beginning of period | 2,763 | 2,571 |
| Cash and cash equivalents at end of period | 2,571 | 3,715 |

Consolidated Business Segment Information

Millions of yen

FY2022 Apr'22-Mar'23

| | Business Segments Reported | | Total | Adjustments | Consolidated Statements |
|---|----------------------------|----------------------|--------|-------------|-------------------------|
| | Batteries | Electronic Materials | | | |
| Net sales | | | | | |
| Japan | 22,405 | 16,575 | 38,980 | - | 38,980 |
| Asia | 7,638 | 4,045 | 11,684 | - | 11,684 |
| Americas | 4,235 | - | 4,235 | - | 4,235 |
| Europe | 7,826 | - | 7,826 | - | 7,826 |
| Other | 57 | - | 57 | - | 57 |
| Revenue from contracts with customers | 42,163 | 20,620 | 62,784 | - | 62,784 |
| Other revenue | - | - | - | - | - |
| Unaffiliated customers | 42,163 | 20,620 | 62,784 | - | 62,784 |
| Intersegment | - | - | - | - | - |
| Total | 42,163 | 20,620 | 62,784 | - | 62,784 |
| Segment profit (loss) | △ 183 | 972 | 789 | - | 789 |
| Segment assets | 34,360 | 11,570 | 45,930 | 1,199 | 47,130 |
| Other items | | | | | |
| Depreciation | 1,956 | 335 | 2,291 | - | 2,291 |
| Increase in property, plant and equipment and intangible assets | 2,609 | 431 | 3,041 | - | 3,041 |

FY2023 Apr'23-Mar'24

| | Business Segments Reported | | Total | Adjustments | Consolidated Statements |
|---|----------------------------|----------------------|--------|-------------|-------------------------|
| | Batteries | Electronic Materials | | | |
| Net sales | | | | | |
| Japan | 23,692 | 12,067 | 35,759 | - | 35,759 |
| Asia | 8,089 | 2,826 | 10,916 | - | 10,916 |
| Americas | 5,451 | - | 5,451 | - | 5,451 |
| Europe | 10,432 | 53 | 10,485 | - | 10,485 |
| Other | 63 | - | 63 | - | 63 |
| Revenue from contracts with customers | 47,729 | 14,947 | 62,676 | - | 62,676 |
| Other revenue | - | - | - | - | - |
| Unaffiliated customers | 47,729 | 14,947 | 62,676 | - | 62,676 |
| Intersegment | - | - | - | - | - |
| Total | 47,729 | 14,947 | 62,676 | - | 62,676 |
| Segment profit | 262 | 306 | 568 | - | 568 |
| Segment assets | 40,898 | 9,064 | 49,962 | 1,594 | 51,556 |
| Other items | | | | | |
| Depreciation | 2,124 | 281 | 2,405 | - | 2,405 |
| Increase in property, plant and equipment and intangible assets | 1,915 | 295 | 2,210 | - | 2,210 |