

Fiscal Year 2008 Consolidated Financial Results
(April 1, 2008 to March 31, 2009)

FDK CORPORATION

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

Listing Code No.6955 (Listing Stock Exchange: The First 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 FY2008 ended March 31, 2009

a. Consolidated Statements of Income

	Yen (millions)		Change(%)	U.S.Dollars
				(millions)
	FY2008 (4/1/08-3/31/09)	FY2007 (4/1/07-3/31/08)		FY2008 (4/1/08-3/31/09)
Net Sales	78,475	113,668		\$798.65
Operating Income(loss)	(1,350)	1,909		(\$13.74)
Income(Loss) Before Income Taxes	(11,817)	(2,573)		(\$120.26)
Net Income (Loss)	(12,076)	(3,105)		(\$122.90)
Amounts Per Share of Common Stock:				
Basic Earnings (Loss)	(94.43) yen	(24.28) yen		(96.1 cent)
Diluted Earnings	-	-		-

b. Consolidated Financial Position

	Yen (millions)	
	As of Mar. 31, 2009	As of Mar. 31, 2008
	Total Assets	46,203
Total Net Assets	(8,534)	2,571
Shareholders' Equity	(8,312)	3,771
Shareholders' Equity Ratio	(19.7%)	3.9%
Shareholders' Equity Per Share	(157.06) yen	(66.22) yen

c. Consolidated Statements of Cash Flows

	Yen (millions)	
	FY2008 (4/1/08-3/31/09)	FY2007, (4/1/07-3/31/08)
	Net cash used in operating activities	2,315
Net cash used in investing activities	(267)	(2,708)
Net cash used in financing activities	(1,378)	2,083
Cash and cash equivalents at end of period	7,504	7,217

Consolidated Subsidiaries	17 companies
Unconsolidated Subsidiaries (equity method applied)	- companies
Affiliates (equity method applied only)	1 companies

d. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	FY2008 (4/1/08-3/31/09)	FY2007, (4/1/07-3/31/08)	FY2008 (4/1/08-3/31/09)
Electronic Devices	52,229	86,325	\$531.54
Batteries	26,245	27,342	\$267.10
Total	78,475	113,668	\$798.65

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

1. All amounts less than one million yen have been disregarded.
2. U.S. dollar amounts are translated from yen, for convenience only, at the rate of \$1=98.26 yen
3. The percentage in this statement presents rate of change compared with the previous fiscal year.

2. Consolidated Financial Forecast for the year ending March 31, 2010

(Million of yen, except per share data)

	FY2009	Change from FY2008(%)
Net Sales	¥67,000	(14.6) %
Operating Income	¥2,150	-
Net Income	¥800	-
Net Income per Share	3.81 yen	-

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of April 28, 2009.

3. Others

(1) Changes in significant subsidiaries during the period: Yes

1 company included in the consolidated subsidiary: FDK MODULE SYSTEM TECHNOLOGY CORPORATION

(2) Changes in accounting policies, procedures, and presentation, etc.

- 1) Changes resulting from revisions in accounting principles, etc.: Yes
- 2) Other changes: Yes

(3) Number of shares outstanding (common stock)

- 1) Number of shares outstanding at the end of fiscal year. (including treasury shares)
 March 31, 2009 : 128,075,884 shares March 31, 2008: 128,075,884 shares
- 2) Number of treasury shares at the end of fiscal year
 March 31, 2009 : 205,600 shares March 31, 2008: 156,824 shares

Consolidated Balance Sheets

Millions of yen

	FY2008 Mar 31, 2009	FY2007 Mar 31, 2008
Assets		
Current assets		
Cash and deposits	7,517	7,227
Notes and accounts receivable-trade	15,708	25,717
Inventories	-	6,131
Merchandise and finished goods	1,545	-
Work in process	800	-
Raw materials and supplies	1,547	-
Accounts receivable-other	2,311	-
Deferred tax assets	37	142
Other	502	2,923
Allowance for doubtful accounts	(28)	(26)
Total current assets	29,943	42,116
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,088	7,448
Machinery, equipment and vehicles, net	4,733	6,449
Tools, furniture and fixtures, net	829	1,786
Land	2,148	4,265
Lease assets, net	623	-
Construction in progress	146	241
Total property, plant and equipment	13,570	20,190
Intangible assets	548	569
Investments and other assets		
Investment securities	249	245
Long-term loans receivable	4	6
Deferred tax assets	25	60
Other	1,892	2,144
Allowance for doubtful accounts	(30)	(60)
Total investments and other assets	2,140	2,396
Total noncurrent assets	16,259	23,156
Total assets	46,203	65,272
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,896	19,692
Short-term loans payable	28,135	30,809
Current portion of long-term loans payable	449	564
Lease obligations	330	-
Accounts payable-other	2,961	1,713
Income taxes payable	101	221
Other	2,237	3,264
Total current liabilities	46,113	56,265
Noncurrent liabilities		
Long-term loans payable	204	456
Lease obligations	774	-
Deferred tax liabilities	4	4
Provision for retirement benefits	7,513	5,821
Provision for directors' retirement benefits	-	98
Other	127	54
Total noncurrent liabilities	8,624	6,435
Total liabilities	54,738	62,701
Net assets		
Shareholders' equity		
Capital stock	22,756	22,756
Capital surplus	17,167	17,167
Retained earnings	(48,197)	(36,121)
Treasury stock	(38)	(31)
Total shareholders' equity	(8,312)	3,771
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6	6
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	(777)	(1,248)
Total valuation and translation adjustments	(770)	(1,242)

Consolidated Statements of Income
Millions of yen

	FY2008	FY2007
	Apr'08-Mar'09	Apr'07-Mar'08
Net sales	78,475	113,668
Cost of sales	70,240	100,812
Gross profit	8,234	12,855
Selling, general and administrative expenses	9,585	10,946
Operating income (loss)	(1,350)	1,909
Non-operating income		
Interest income	57	83
Rent income	31	35
Insurance income	59	-
Gain on sales of scraps	55	82
Other	118	155
Total non-operating income	322	357
Non-operating expenses		
Interest expenses	520	585
Foreign exchange losses	1,095	1,896
Loss on retirement of noncurrent assets	88	197
Loss on disposal of inventories	-	255
Amortization of net retirement benefit obligation at transition	1,278	1,278
Other	281	393
Total non-operating expenses	3,263	4,607
Ordinary income (loss)	(4,292)	(2,340)
Extraordinary income		
Gain on transfer of business	2,193	-
Gain on sales of noncurrent assets	165	-
Total extraordinary income	2,359	-
Extraordinary loss		
Business structure improvement expenses	7,983	-
Impairment loss	968	-
Loss on closing of office	-	233
Other	932	-
Total extraordinary loss	9,884	233
Income (loss) before income taxes	(11,817)	(2,573)
Income taxes-current	159	491
Income taxes-deferred	92	29
Total income taxes	252	520
Minority interests in income	6	10
Net income (loss)	(12,076)	(3,105)

Statements of Changes in Net Assets

Millions of yen

	FY2008 Apr'08-Mar'09	FY2007 Apr'07-Mar'08
Shareholders' equity		
Capital stock		
Beginning balance	22,756	22,756
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	22,756	22,756
Capital surplus		
Beginning balance	17,167	17,167
Changes of items during the period		
Total changes of items during the period	-	-
Ending balance	17,167	17,167
Retained earnings		
Beginning balance	(36,121)	(33,015)
Changes of items during the period		
Net income(loss)	(12,076)	(3,105)
Total changes of items during the period	(12,076)	(3,105)
Ending balance	(48,197)	(36,121)
Treasury stock		
Beginning balance	(31)	(28)
Changes of items during the period		
Purchase of treasury stock	(6)	(2)
Total changes of items during the period	(6)	(2)
Ending balance	(38)	(31)
Total shareholders' equity		
Beginning balance	3,771	6,879
Changes of items during the period		
Net income(loss)	(12,076)	(3,105)
Purchase of treasury stock	(6)	(2)
Total changes of items during the period	(12,083)	(3,108)
Ending balance	(8,312)	3,771
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Beginning balance	6	20
Changes of items during the period		
Net changes of items other than shareholders' equity	0	(13)
Total changes of items during the period	0	(13)
Ending balance	6	6
Deferred gains or losses on hedges		
Beginning balance	(0)	(5)
Changes of items during the period		
Net changes of items other than shareholders' equity	0	5
Total changes of items during the period	0	5
Ending balance	-	(0)
Foreign currency translation adjustment		
Beginning balance	(1,248)	(97)
Changes of items during the period		
Net changes of items other than shareholders' equity	470	(1,150)
Total changes of items during the period	470	(1,150)
Ending balance	(777)	(1,248)
Total valuation and translation adjustments		
Beginning balance	(1,242)	(82)
Changes of items during the period		
Net changes of items other than shareholders' equity	471	(1,159)
Total changes of items during the period	471	(1,159)
Ending balance	(770)	(1,242)
Minority interests		
Beginning balance	42	47
Changes of items during the period		
Net changes of items other than shareholders' equity	505	(5)
Total changes of items during the period	505	(5)
Ending balance	548	42
Net assets		
Beginning balance	2,571	6,844
Changes of items during the period		
Net income(loss)	(12,076)	(3,105)
Purchase of treasury stock	(6)	(2)
Net changes of items other than shareholders' equity	976	(1,164)
Total changes of items during the period	(11,106)	(4,272)
Ending balance	(8,534)	2,571

Consolidated Statements of Cash Flows
Millions of yen

	FY2008 Apr'08-Mar'09	FY2007 Apr'07-Mar'08
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	(11,817)	(2,573)
Depreciation and amortization	3,297	3,540
Impairment loss	5,652	-
Equity in (earnings) losses of affiliates	96	(2)
Increase (decrease) in provision for retirement benefits	1,692	363
Increase (decrease) in provision for directors' retirement benefits	(98)	57
Increase (decrease) in allowance for doubtful accounts	(26)	(13)
Interest and dividends income	(64)	(85)
Interest expenses	520	585
Foreign exchange losses (gains)	22	82
Loss (gain) on sales of property, plant and equipment	(177)	(11)
Loss on retirement of property, plant and equipment	166	197
Loss (gain) on transfer of business	(2,193)	-
Loss on office closings	-	233
Decrease (increase) in notes and accounts receivable-trade	9,774	1,925
Decrease (increase) in inventories	1,625	2,401
Increase (decrease) in notes and accounts payable-trade	(8,066)	(5,948)
Increase (decrease) in accrued expenses	(1,000)	206
Other, net	3,656	1,004
Subtotal	3,060	1,962
Interest and dividends income received	64	108
Interest expenses paid	(609)	(529)
Income taxes paid	(259)	(551)
Other, net	59	-
Net cash provided by (used in) operating activities	2,315	990
Net cash provided by (used in) investing activities		
Payments into time deposits	(15)	(15)
Proceeds from withdrawal of time deposits	12	20
Purchase of property, plant and equipment	(2,541)	(2,703)
Proceeds from sales of property, plant and equipment	377	6
Purchase of intangible assets	(26)	(14)
Purchase of investment securities	(5)	(5)
Purchase of stocks of subsidiaries and affiliates	-	(130)
Proceeds from transfer of business	1,929	-
Other, net	2	133
Net cash provided by (used in) investing activities	(267)	(2,708)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(865)	2,932
Proceeds from long-term loans payable	159	-
Repayment of long-term loans payable	(294)	(846)
Purchase of treasury stock	(6)	(2)
Cash dividends paid to minority shareholders	(3)	-
Repayments of finance lease obligations	(367)	-
Net cash provided by (used in) financing activities	(1,378)	2,083
Effect of exchange rate change on cash and cash equivalents	(380)	(677)
Net increase (decrease) in cash and cash equivalents	289	(311)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(2)	-
Cash and cash equivalents at beginning of period	7,217	7,528
Cash and cash equivalents at end of period	7,504	7,217

Consolidated Business Segment Information
Millions of yen

FY2008 Apr'08-Mar'09

	Electronic Materials	Batteries	Total	Elimination	Consolidate d
Net sales					
Unaffiliated customers	52,229	26,245	78,475	-	78,475
Intersegment	-	-	-	-	-
Total	52,229	26,245	78,475	-	78,475
Operating income (loss)	(2,747)	1,396	(1,350)	-	(1,350)

FY2007 Apr'07-Mar'08

	Electronic Materials	Batteries	Total	Elimination	Consolidate d
Net sales					
Unaffiliated customers	86,325	27,342	113,668	-	113,668
Intersegment	-	-	-	-	-
Total	86,325	27,342	113,668	-	113,668
Operating income (loss)	657	1,251	1,909	-	1,909

Consolidated Geographic Segment Information
Millions of yen

FY2008 Apr'08-Mar'09

	Japan	Asia	North America	Europe	Total	Elimination	Consolidate d
Net sales							
Unaffiliated customers	43,906	31,308	1,304	1,955	78,475	-	78,475
Intersegment	9,669	16,738	56	89	26,554	(26,554)	-
Total	53,576	48,046	1,361	2,045	105,029	(26,554)	78,475
Operating income (loss)	(1,733)	626	(1)	(17)	(1,125)	(225)	(1,350)

FY2007 Apr'07-Mar'08

	Japan	Asia	North America	Europe	Total	Elimination	Consolidate d
Net sales							
Unaffiliated customers	56,872	51,839	1,879	3,077	113,668	-	113,668
Intersegment	12,891	26,258	-	81	39,231	(39,231)	-
Total	69,763	78,098	1,879	3,158	152,899	(39,231)	113,668
Operating income (loss)	641	1,367	72	37	2,119	(209)	1,909

Net Overseas Sales by Customer's Geographic Location
Millions of yen

FY2008 Apr'08-Mar'09

	Asia	North America	Other Countries	Total
Total sales to foreign customers	31,591	4,051	4,928	40,571
Consolidated net sales				78,475
Percentage of sales to foreign customers to consolidated net sales	40.2%	5.2%	6.3%	51.7%

FY2007 Apr'07-Mar'08

	Asia	North America	Other Countries	Total
Total sales to foreign customers	55,297	5,292	8,462	69,052
Consolidated net sales				113,668
Percentage of sales to foreign customers to consolidated net sales	48.6%	4.7%	7.4%	60.7%

Business Results

(1) Analysis of Consolidated Business Results

1. Overview

The business environment of the FDK Group during the fiscal year ended March 31, 2009 became extremely severe due to the worldwide recession caused by the US financial crisis. All the major product markets of the Group were affected.

Under these circumstances, FDK Group (hereinafter called “FDK”) proceeded in applying selectivity and focus to its business areas. FDK considered the power and high frequency areas as its main pillars and proceeded to develop new products in those areas, applying its competitive material technologies. The motor business was sold.

As for FDK’s business results, since the markets for its products shrunk from the hard hit they took from the recession, orders for most products decreased. As a result, net sales were 78,475 million yen, a substantial decrease of 35,193 million yen from the previous fiscal year, and operating loss was 1,350 million yen. As foreign exchange loss was accrued and posted by the rise in the yen’s value from last October, and the cost for business structural reform essential to future growth was posted as an extraordinary loss, loss before income taxes was 11,817 million yen and net loss was 12,076 million yen.

The divisional sales overview is as follows.

2. Electronic Device Business

In the electronic device business, FDK has strived to develop new products with high customer satisfaction through the pursuit of material technologies and the fusion of cutting-edge technologies.

Sales of optical devices stayed the same as the previous year by securing the order for submarine cable, though the market situation was very tough. Sales of DC-DC converters increased from the previous year due to the increased sales of POL converters in Western countries because of the high evaluation they received on product performance and FDK’s substantial product line-up. Sales of switching power supplies, multilayer power inductors and coil devices decreased from the previous year because of the rapid economic slowdown in the latter half of the fiscal year. Sales of signal processing boards for LCDs decreased greatly from the previous year due to production adjustments made by the LCD panel manufacturers. Sales of backlight inverter modules for LCDs decreased significantly from the previous year due to the strategic change of overseas set makers to extend internal procurement and the price decline of LCD televisions caused by excessive competition in the market.

As a result, sales for the electronic device business were 52,229 million yen, a 39.5% decrease from the previous fiscal year.

3. Battery Business

In the battery business, FDK has strived to develop new products and technologies to offer safe, high performance, environmentally-friendly and high-quality batteries to its customers.

Sales of alkaline batteries, which are FDK’s core products in the battery business, remained the same as the previous year due to promotional activities for the “Fujitsu Alkaline Battery G. D. R Series” in Japan and extended sales activities in the global market, while consumer spending was sluggish from the worldwide recession.

Sales of lithium batteries, which are mainly used for smoke detectors and ETC in-vehicle

devices, decreased from the previous year due to the decrease in demand for home construction and car sales.

As a result, sales for the battery business were 26,245 million yen, a 4.0% decrease from the previous fiscal year.

4. Forecast for the Fiscal Year Ending March 31, 2010

Due to the continuing severe business environment and the closure of some businesses through selectivity and focus by the business areas, net sales are expected to be 67,000 million yen, a decrease from the previous year.

However, operating income is expected to reach 2,150 million yen by concentrating financial resources on value-added products based on material technology and the effect of business structural reforms, such as cost reduction activities including personnel reduction and consolidation of business bases.

Net income is expected to be 800 million yen. The exchange rate is anticipated to be 90 yen per US dollar.

Our consolidated forecasts for the year ending March 31, 2010 are as follows:

	Year ending <u>March 31, 2010</u>	Changing from the year <u>ending March 31, 2009(%)</u>
Net sales	67,000	-14.6%
Operating income	2,150	—
Net income	800	—
Net income per share	3.81 yen	—

(2) Analysis of Financial Condition

1. Status of Assets, Liabilities and Net Assets

Total assets at the end of FY2008 decreased 19,069 million yen from the end of the previous fiscal year to 46,203 million yen. Current assets were down 12,173 million yen to 29,943 million yen. Fixed assets were down 6,896 million yen to 16,259 million yen.

The principal causes for decreased current assets were a 10,009 million yen decrease in notes and accounts receivable trade and a 2,237 million yen decrease in inventories. The principal cause for decreased fixed assets was a 6,620 million yen decrease in total property, plants and equipment.

Total liabilities at the end of FY2008 decreased 7,963 million yen from the previous fiscal year-end to 54,738 million yen. Current liabilities decreased 10,152 million yen from the previous fiscal year-end to 46,113 million yen. Non-current liabilities increased 2,189 million yen from the previous fiscal year-end to 8,624 million yen.

The principal causes of decreased current liabilities were a 7,796 million yen decrease in notes and accounts payable trade and a 2,789 million yen decrease in short-term loans payable (including long-term loans payable within a year). The principal causes for increased non-current liabilities were a 1,692 million yen increase in the provision for retirement benefits and a posting of lease obligations of 774 million yen.

Total net assets at the end of FY2008 decreased 11,106 million yen from the previous fiscal year-end to 8,534 million yen of negative net assets. The principal factor for the decrease was a 12,076 million yen decrease in retained earnings by posting a net loss of FY2008.

2. Cash Flow Condition

Net cash used in operating activities increased 2,315 million yen from the end of the previous fiscal year by posting depreciation and amortization, impairment loss and a decrease in notes and accounts payable trade, though some of the decrease resulted from posting losses before income taxes and a decrease in notes and accounts payable trade.

Net cash used in investing activities decreased 267 million yen from the end of the previous fiscal year due to the purchase of property, plants and equipment, though there were proceeds from the transfer of business.

Net cash used in financing activities decreased 1,378 million yen from the end of the previous fiscal year due to a decrease in short-term loans and in finance lease obligations.

As a result, the balance of cash and cash equivalents at the end of the fiscal period was 7,504 million yen, an increase of 287 million yen from the beginning of the fiscal year.