

October 30, 2008

Consolidated Financial Results for the Second Quarter Ended September 30, 2008**(April 1, 2008 to September 30, 2008)****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 Operating Results for the Six-Months Period Ended September 30, 2008**a. Consolidated Results of Operations**

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Six months ended September 30, 2008	Six months ended September 30, 2007	FY2007, ended March 31, 2008	Six Months ended September 30, 2008
Net Sales	46,380	58,637	113,668	\$437.5
Operating Income	65	1,077	1,909	\$0.61
Income(Loss) Before Income Taxes and Minority Interests	(546)	(163)	(2,573)	(\$5.15)
Net Income (Loss)	(777)	(392)	(3,105)	(\$7.33)
Amounts Per Share of Common Stock:				
Basic Earnings (Loss)	(6.07) yen	(3.07) yen	(24.28)	(5.72 cent)
Diluted Earnings	-	-	-	-

b. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Six months ended September 30, 2008	FY2007, ended March 31, 2008	Six months ended September 30, 2008
Electronic Devices	33,435	86,325	\$315.42
Batteries	12,944	27,342	\$122.11
Total	46,380	113,668	\$437.55

c. Consolidated Financial Position

	Yen (millions)		Yen (millions)
	As of September 30, 2008	As of September 30, 2007	As of March 31, 2008
Total Assets	64,433	77,808	65,272
Total Net Assets	2,887	6,436	2,571
Shareholders' Equity	2,989	6,485	3,771
Shareholders' Equity Ratio	3.6%	8.2%	3.9%
Shareholders' Equity Per Share	(67.91) yen	(36.05) yen	(66.22) yen

d. Consolidated Statements of Cash Flows

	Yen (millions)		Yen (millions)
	Six months ended September 30, 2008	Six months ended September 30, 2007	FY2007, ended March 31, 2008
Cash Flows from	681	(870)	990
Operating Activities			
Cash Flows from	(936)	(1,802)	(2,708)
Investing Activities			
Cash Flows from	(686)	729	2,083
Financing Activities			
Cash and Cash Equivalents at End of Period	6,471	5,562	7,217
Consolidated Subsidiaries		17 companies	
Unconsolidated Subsidiaries (equity method applied)		- companies	
Affiliates (equity method applied only)		1 companies	

(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 106 yen=\$1
3. The percentage in this statement presents rate of change compared with the same period last year.

2. Consolidated Financial Forecast for the year ending March 31, 2009

(Million of yen, except per share data)

	FY2008	Change from FY2007(%)
Net Sales	¥86,500	(23.9)
Operating Income	¥100	(94.8)
Net Income	(¥950)	-
Net Income per Share	(7.43) yen	-

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of the present time. Actual results may differ largely from the forecast due to changing conditions, potential risks and other uncertainties.

3. Others

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

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

(2) Adoption of simplified accounting methods for quarterly reporting: Yes

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

- 1) Changes resulting from revisions in accounting principles, etc.: Yes
- 2) Other changes: No

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of periods.

September 30, 2008 : 128,075,884 shares March 31, 2008: 128,075,884 shares

2) Number of treasury shares

September 30, 2008 : 188,350 shares March 31, 2008: 156,824 shares

3) Weighted average number of shares outstanding during six months ended September 30 of each year.

September 30, 2008 : 127,907,421 shares September 30, 2007: 127,930,793 shares

Consolidated Statements of Operations

Millions of yen

	1H/FY2008 Apr'08-Sep'08
Net sales	46,380
Cost of sales	41,214
Gross profit	5,165
Selling, general and administrative expenses	5,100
Operating income (loss)	65
Non-operating income	
Interest income	32
Foreign exchange gains	119
Rent income	17
Other	183
Total non-operating income	352
Non-operating expenses	
Interest expenses	271
Loss on retirement of noncurrent assets	32
Amortization of net retirement benefit obligation at transition	639
Other	108
Total non-operating expenses	1,050
Ordinary income (loss)	(632)
Extraordinary income	
Gain on sales of noncurrent assets	165
Total extraordinary income	165
Extraordinary loss	
Loss on valuation of inventories	79
Total extraordinary loss	79
Income (loss) before income taxes	(546)
Income taxes-current	173
Income taxes-deferred	44
Total income taxes	218
Minority interests in income	12
Net income (loss)	(777)

Consolidated Balance Sheets

Millions of yen

	1H/FY2008 Sep 30, 2008	FY2007 Mar 31, 2008
Assets		
Current assets		
Cash and deposits	6,489	7,227
Notes and accounts receivable-trade	25,056	25,717
Merchandise and finished goods	2,396	2,698
Work in process	1,314	1,359
Raw materials and supplies	2,219	2,073
Deferred tax assets	104	142
Other	2,503	2,923
Allowance for doubtful accounts	(25)	(26)
Total current assets	40,059	42,116
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,145	7,448
Machinery, equipment and vehicles, net	6,326	6,449
Tools, furniture and fixtures, net	1,706	1,786
Land	4,245	4,265
Lease assets, net	1,249	-
Construction in progress	700	241
Total property, plant and equipment	21,374	20,190
Intangible assets	574	569
Investments and other assets		
Investment securities	247	245
Long-term loans receivable	5	6
Deferred tax assets	58	60
Other	2,172	2,144
Allowance for doubtful accounts	(58)	(60)
Total investments and other assets	2,425	2,396
Total noncurrent assets	24,374	23,156
Total assets	64,433	65,272
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,268	19,692
Short-term loans payable	30,168	30,809
Current portion of long-term loans payable	458	564
Accounts payable-other	1,639	1,713
Lease obligations	347	-
Income taxes payable	201	221
Other	2,989	3,264
Total current liabilities	54,073	56,265
Noncurrent liabilities		
Long-term loans payable	319	456
Provision for retirement benefits	6,095	5,821
Provision for directors' retirement benefits	-	98
Lease obligations	929	-
Deferred tax liabilities	4	4
Other	124	54
Total noncurrent liabilities	7,473	6,435
Total liabilities	61,546	62,701
Net assets		
Shareholders' equity		
Capital stock	22,756	22,756
Capital surplus	17,167	17,167
Retained earnings	(36,898)	(36,121)
Treasury stock	(36)	(31)
Total shareholders' equity	2,989	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	(680)	(1,248)
Total valuation and translation adjustments	(674)	(1,242)
Minority interests	572	42
Total net assets	2,887	2,571

Consolidated Statements of Cash Flows

Millions of yen

	1H/FY2008 Apr'08-Sep'08
Net cash provided by (used in) operating activities	
Income (loss) before income taxes	(546)
Depreciation and amortization	1,722
Increase (decrease) in provision for retirement benefits	274
Increase (decrease) in allowance for doubtful accounts	(3)
Interest and dividends income	(38)
Interest expenses	271
Foreign exchange losses (gains)	(30)
Equity in (earnings) losses of affiliates	18
Loss (gain) on sales of property, plant and equipment	(169)
Loss on retirement of noncurrent assets	32
Decrease (increase) in notes and accounts receivable-trade	1,286
Decrease (increase) in inventories	244
Increase (decrease) in notes and accounts payable-trade	(1,971)
Increase (decrease) in accrued expenses	(89)
Other, net	170
Subtotal	1,170
Interest and dividends income received	38
Interest expenses paid	(399)
Income taxes paid	(187)
Other proceeds	59
Net cash provided by (used in) operating activities	681
Net cash provided by (used in) investment activities	
Payments into time deposits	(7)
Purchase of property, plant and equipment	(1,253)
Proceeds from sales of property, plant and equipment	335
Purchase of intangible assets	(6)
Purchase of investment securities	(2)
Other, net	(1)
Net cash provided by (used in) investment activities	(936)
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	(236)
Repayment of long-term loans payable	(268)
Purchase of treasury stock	(4)
Cash dividends paid to minority shareholders	(3)
Repayments of finance lease obligations	(172)
Net cash provided by (used in) financing activities	(686)
Effect of exchange rate change on cash and cash equivalents	196
Net increase (decrease) in cash and cash equivalents	(745)
Cash and cash equivalents at beginning of year	7,217
Cash and cash equivalents at end of period	6,471

Consolidated business segment information

Millions of yen

1H/FY2008 Apr'08-Sep'08

	Electronic materials	Batteries	Total	Elimination	Consolidate d
Net sales					
Unaffiliated customers	33,435	12,944	46,380	-	46,380
Intersegment	-	-	-	-	-
Total	33,435	12,944	46,380	-	46,380
Operating income (loss)	(627)	692	65	-	65

Consolidated geographic segment information

Millions of yen

1H/FY2008 Apr'08-Sep'08

	Japan	Asia	North America	Europe	Total	Elimination	Consolidate d
Net sales							
Unaffiliated customers	23,566	20,855	763	1,194	46,380	-	46,380
Intersegment	6,316	10,818	-	34	17,169	(17,169)	-
Total	29,882	31,673	763	1,229	63,549	(17,169)	46,380
Operating income (loss)	(455)	741	3	(22)	266	(201)	65

Net overseas sales by customer's geographic location

Millions of yen

1H/FY2008 Apr'08-Sep'08

	Asia	North America	Other Countries	Total
Total sales to foreign customers	22,263	2,293	2,233	26,789
Consolidated net sales				46,380
Percentage of sales to foreign customers to consolidated net sales	48.0%	5.0%	4.8%	57.8%

「Reference Information」
Consolidated Statements of Operations

	Yen (millions)
	1H/FY2007
	Apr'07-Sep'07
Net sales	58,637
Operating costs and expenses	
Cost of sales	52,082
Selling, general and administrative expenses	5,478
	<u>57,560</u>
Operating income (loss)	1,077
Other income (expenses)	
Interest and dividend income	39
Equity in earnings (losses) of affiliates, net	10
Interest charges	(296)
Other, net	(993)
	<u>(1,240)</u>
Income (loss) before income taxes and minority interests	(163)
Income taxes	
Current	259
Deferred	(32)
	<u>227</u>
Income (loss) before minority interests	(390)
Minority interests in income of consolidated subsidiaries	(2)
Net income (loss)	<u><u>(392)</u></u>

Consolidated Statements of Cash Flows

	Yen (millions)
	1H/FY2007
	Apr'07-Sep'07
<hr/>	
Cash flows from operating activities	
Income (loss) before income taxes and minority interests	(163)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities	
Depreciation and amortization	1,751
Equity in earnings of affiliates, net	(10)
(Increase) decrease in receivable-trade	(3,800)
(Increase) decrease in inventories	(2,229)
Increase (decrease) in payable-trade	2,474
Other, net	1,740
Cash generated from operations	(237)
Interest paid	(333)
Interest and dividends received	62
Income taxes paid	(362)
Net cash provided by operating activities	(870)
Cash flows from investing activities	
Purchase of tangible fixed assets	(1,803)
Proceeds from sales of tangible fixed assets	9
Purchase of intangible assets	(8)
Other, net	0
Net cash used in investing activities	(1,802)
Cash flows from financing activities	
Repayment of long-term debt	(550)
Increase (decrease) in short-term borrowings	1,281
Other, net	(2)
Net cash provided by (used in) financing activities	729
Effect of exchange rate changes on cash and cash equivalents	(24)
Net increase (decrease) in cash and cash equivalents	(1,967)
Cash and cash equivalents at beginning of year	7,529
Cash and cash equivalents at end of year	5,562

Business Results

(1) Analysis of Consolidated Business Results

1. Overview

The global market environment affected FDK Group for the six months that ended September 30, 2008. Difficulties increased due to the slowdown of the world economy stemming from turmoil in financial markets that originated from the subprime mortgage issue in the United States, and it depressed consumer spending.

FDK Group sales considerably declined for LCD-related products. Sales for the six months ending September 30, 2008 were 46,380 million yen, a 20.9% decrease from the same period last year. Regarding profit and loss, operating income was reduced to 65 million yen, while loss before income taxes was 546 million yen and net loss was 777 million yen.

FDK Group proceeded to concentrate on its core competencies in the power and high frequency areas in accordance with the Group's New Strategies and Measures for Growth, which was our management direction announced in January, 2008 for the mid-term range. These two product areas are our competitive product areas that are backed by our original material technologies. As part of the new strategies and measures, FDK extended the production capacity of multilayer power inductors in the Sanyo Plant. On the other hand, FDK closed a plant in Taiwan, sold one of two plants in Sri Lanka, and decided to sell its motor business.

Divisional sales overview is as follows.

2. Electronic Device Business

Sales of multilayer power inductors increased from the same period last year due to the expansion of production capacity and their increased use in mobile phones caused by the shift to use multilayer power inductors to meet the trend for more sophistication, down-sizing and low-profiling of mobile phones. Sales of coil devices increased from the same period last year, especially for power supply makers. Sales of optical devices continued to increase from the same period last year, especially for use on submarine cables. Sales of switching power supplies remained the same as the same period last year.

Sales of signal processing modules for LCDs and backlight inverter modules for LCDs decreased from the same period last year due to the decline of the product's price due to increasing competition, the strategic change of overseas customers to extend internal procurement and their production adjustment.

As a result, sales of the electronic device business were 33,435 million yen, a 27.6 % decrease from the same period last year.

3. Battery Business

Responding to the high appreciation of material costs in the battery business, FDK decided to raise the sales prices of alkaline batteries to wholesalers and retailers on sales orders shipping as of this July. Sales of alkaline batteries, which are core products in the battery business, increased from the same period last year due to some promotional activities for the Fujitsu Alkaline Batteries "G.D.R. series" in Japan and extended sales activities in global market. Sales of lithium batteries decreased from the same period last year due to the decrease in demand for smoke detectors, an effect of the decrease of new home construction in North America.

As a result, sales of the battery business were 12,944 million yen, a 4.1% increase from the same period last year

(2) Analysis of Financial Condition

Cash Flow Condition

Cash flow from operating activities increased 681 million yen from the beginning of this fiscal year due to an increase in cash from the post of depreciation and amortization and the decrease in notes and accounts receivable trade and so on, though there were decreases in cash and cash equivalents caused by the decrease in notes and accounts payable trade.

Cash flow from investment activities decreased 936 million yen from the beginning of the fiscal year due to the purchase of property, plant and equipment.

Cash flow from financing activities decreased 686 million yen from the beginning of the fiscal year due to a decrease in loans through repayment.

As a result, the balance of cash and cash equivalent at the end of September 30, 2008 was 6,471 million yen, a decrease of 745 million yen from the beginning of the fiscal year.

(3)Forecast for the Fiscal Year Ending March 31, 2009

FDK revised its financial forecast for the fiscal year ending March 31, 2009 announced on April 25, 2008 since the worldwide recession deteriorated the digital home appliance market, including the LCD-related products market. Net sales are expected to total 86,500 million yen, a decrease of 26,300 million yen from the previous forecast. Regarding profit and loss, net loss is expected to total 950 million yen, though we will post 1,665 million yen as an extraordinary profit through the transfer of the motor business which we have already disclosed. The exchange rates continue to be forecast at 100 yen per US dollar.

Regarding the revision of the financial forecast, please refer to "the Announcement of the Revised Financial Forecast" announced today (October 30, 2008).

	Net Sales		Operating Income (Loss)		Net Income (Loss)	Net Income (Loss) Per Share
	Million Yen	%	Million Yen	%	Million Yen	Yen
Year ending March 31, 2009	86,500	△23.9	100	△94.8	△950	-
						△7.43