

April 27, 2011

Fiscal Year 2010 Consolidated Financial Results

(April 1, 2010 to March 31, 2011)

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

Listing Code No.6955 (Listing Stock Exchange: The Second Section of Tokyo Stock Exchange)

Address : Hamagomu Bldg. 5-36-11 Shimbashi, Minato-ku, Tokyo 105-8677

Contact : Corporate Communication Office, Business Strategy & Planning Department

E-mail: niida@fdk.co.jp

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Filing date of Yukashoken Hokokusho : June 28, 2011

The Consolidated Financial Results is unaudited / U.S. GAPP is not applied

1. Consolidated Results for FY2010 ended March 31, 2011**a. Consolidated Statements of Income**

	Yen (millions)			%	U.S.Dollars
					(millions)
	FY2010 (4/1/10-3/31/11)	FY2009 (4/1/09-3/31/10)	Change(%)		FY2010 (4/1/10-3/31/11)
Net Sales	94,431	68,447			\$1,135.67
Operating Income	4,396	2,398	-		\$52.87
Income Before Income Taxes	3,835	1,582	-		\$46.12
Net Income	2,571	1,046	-		\$30.92
Amounts Per Share of Common Stock:					
Basic Earnings (Loss)	11.83 yen	4.98 yen	-		14.2 cent
Diluted Earnings	-	-			-

b. Consolidated Financial Position

	Yen (millions)	
	As of Mar. 31, 2011	As of Mar. 31, 2010
	Total Assets	58,958
Total Net Assets	4,998	3,258
Shareholders' Equity	6,302	3,732
Shareholders' Equity Ratio	7.4%	4.1%
Shareholders' Equity Per Share	(30.42) yen	(38.39) yen

c. Consolidated Statements of Cash Flows

	Yen (millions)	
	FY2010 (4/1/10-3/31/11)	FY2009 (4/1/09-3/31/10)
	Net cash used in operating activities	4,283
Net cash used in investing activities	(2,505)	(5,505)
Net cash used in financing activities	(4,713)	5,325
Cash and cash equivalents at end of period	4,156	7,411

Consolidated Subsidiaries	16 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)
	FY2010 (4/1/10-3/31/11)	FY2009 (4/1/09-3/31/10)	FY2010 (4/1/10-3/31/11)
Electronic Devices	36,779	37,673	\$442.32
Batteries	57,651	30,773	\$693.34
Total	94,431	68,447	\$1,135.67

(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=83.15 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, 2012

(Million of yen, except per share data)

	FY2011	Change from FY2010(%)
Net Sales	TBD	N/A %
Operating Income	TBD	N/A %
Net Income	TBD	N/A %
Net Income per Share	TBD yen	-

Note: Regarding consolidated financial forecasts for the fiscal year ending March 31, 2012, due to the difficulty of determine the effects from the Great East Japan Earthquake, FDK will postpone the announcement of the forecast for the year ending March 31, 2012. Further detail will be announced as soon as it becomes available.

3. Others

(1) Changes in significant subsidiaries during the period: No.

(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, 2011 : 217,505,884 shares March 31, 2010: 217,505,884 shares

2) Number of treasury shares at the end of fiscal year

March 31, 2011 : 226,920 shares March 31, 2010: 218,916 shares

3) Weighted average number of shares outstanding during the fiscal year ended March 31 of each year

March 31, 2011: 217,283,560 shares March 31, 2010: 209,942,272 shares

Consolidated Balance Sheets

Millions of yen

	FY2009 Mar 31, 2010	FY2010 Mar 31, 2011
Assets		
Current assets		
Cash and deposits	7,417	4,163
Notes and accounts receivable-trade	21,458	21,690
Merchandise and finished goods	2,597	3,226
Work in process	2,921	3,068
Raw materials and supplies	2,047	1,513
Deferred tax assets	265	179
Other	2,428	1,584
Allowance for doubtful accounts	(113)	(60)
Total current assets	<u>39,023</u>	<u>35,366</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,079	7,879
Machinery, equipment and vehicles, net	9,422	7,999
Tools, furniture and fixtures, net	804	659
Land	3,469	3,493
Lease assets, net	402	440
Construction in progress	200	367
Total property, plant and equipment	<u>22,378</u>	<u>20,841</u>
Intangible assets	<u>669</u>	<u>908</u>
Investments and other assets		
Investment securities	130	131
Long-term loans receivable	14	8
Deferred tax assets	688	228
Other	1,610	1,473
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>2,444</u>	<u>1,841</u>
Total non-current assets	<u>25,492</u>	<u>23,591</u>
Total assets	<u>64,515</u>	<u>58,958</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,088	16,739
Short-term loans payable	23,794	19,650
Current portion of long-term loans payable	325	-
Lease obligations	230	263
Accounts payable-other	2,310	1,935
Income taxes payable	433	415
Provision for loss on disaster	-	322
Other	2,853	3,495
Total current liabilities	<u>49,036</u>	<u>42,823</u>
Non-current liabilities		
Long-term loans payable	66	-
Lease obligations	546	496
Deferred tax liabilities	3	1
Provision for retirement benefits	7,778	7,449
Negative goodwill	3,605	2,846
Other	220	342
Total non-current liabilities	<u>12,221</u>	<u>11,136</u>
Total liabilities	<u>61,257</u>	<u>53,959</u>
Net assets		
Shareholders' equity		
Capital stock	28,301	28,301
Capital surplus	22,622	22,622
Retained earnings	(47,151)	(44,580)
Treasury stock	(40)	(41)
Total shareholders' equity	<u>3,732</u>	<u>6,302</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5	3
Deferred gains or losses on hedges	(45)	-
Foreign currency translation adjustment	(1,033)	(1,916)
Total accumulated other comprehensive income	<u>(1,073)</u>	<u>(1,912)</u>
Minority interests	<u>599</u>	<u>608</u>
Total net assets	<u>3,258</u>	<u>4,998</u>
Total liabilities and net assets	<u>64,515</u>	<u>58,958</u>

Consolidated Statements of Income
Millions of yen

	FY2009	FY2010
	Apr'09-Mar'10	Apr'10-Mar'11
Net sales	68,447	94,431
Cost of sales	57,968	78,811
Gross profit	10,478	15,619
Selling, general and administrative expenses	8,080	11,222
Operating income (loss)	2,398	4,396
Non-operating income		
Interest income	18	17
Amortization of negative goodwill	189	759
Rent income	36	33
Gain on sales of non-current assets	49	-
Other	136	209
Total non-operating income	430	1,020
Non-operating expenses		
Interest expenses	229	234
Equity in losses of affiliates	152	-
Foreign exchange losses	161	565
Loss on retirement of non-current assets	175	260
Other	254	220
Total non-operating expenses	974	1,280
Ordinary income (loss)	1,853	4,135
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	-	423
Subsidy	-	246
Gain on donation of non-current assets	-	117
Gain on sales of subsidiaries and affiliates' stocks	39	-
Other	-	38
Total extraordinary income	39	824
Extraordinary loss		
Loss on disaster	-	430
Impairment loss	191	304
Loss on retirement of non-current assets	-	174
Loss on change of contract	-	127
Business structure improvement expenses	111	-
Other	8	88
Total extraordinary loss	310	1,125
Income (loss) before income taxes	1,582	3,835
Income taxes-current	560	713
Income taxes-deferred	(61)	535
Total income taxes	498	1,248
Income before minority interests	-	2,586
Minority interests in income	37	15
Net income (loss)	1,046	2,571

Consolidated Statements of comprehensive income
Millions of yen

	FY2009	FY2010
	Apr'09-Mar'10	Apr'10-Mar'11
	<u> </u>	<u> </u>
Income before minority interests	-	2,586
Other comprehensive income		
Valuation difference on available-for-sale securities	-	(1)
Deferred gains or losses on hedges	-	45
Foreign currency translation adjustment	-	(811)
Share of other comprehensive income of associates accounted for using equity method	-	(77)
Other comprehensive income	<u>-</u>	<u>(845)</u>
Comprehensive income	<u>-</u>	<u>1,741</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	<u>-</u>	<u>1,731</u>
Comprehensive income attributable to minority interests	<u>-</u>	<u>9</u>

Consolidated Statements of Changes in Net Assets

Millions of yen

	FY2009 Apr'09-Mar'10	FY2010 Apr'10-Mar'11
Shareholders' equity		
Capital stock		
Beginning balance	22,756	28,301
Changes of items during the period		
Issuance of new shares	5,544	-
Total changes of items during the period	5,544	-
Ending balance	28,301	28,301
Capital surplus		
Beginning balance	17,167	22,622
Changes of items during the period		
Issuance of new shares	5,455	-
Total changes of items during the period	5,455	-
Ending balance	22,622	22,622
Retained earnings		
Beginning balance	(48,197)	(47,151)
Changes of items during the period		
Net income(loss)	1,046	2,571
Total changes of items during the period	1,046	2,571
Ending balance	(47,151)	(44,580)
Treasury stock		
Beginning balance	(38)	(40)
Changes of items during the period		
Purchase of treasury stock	(2)	(1)
Total changes of items during the period	(2)	(1)
Ending balance	(40)	(41)
Total shareholders' equity		
Beginning balance	(8,312)	3,732
Changes of items during the period		
Issuance of new shares	10,999	-
Net income(loss)	1,046	2,571
Purchase of treasury stock	(2)	(1)
Total changes of items during the period	12,044	2,570
Ending balance	3,732	6,302
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Beginning balance	6	5
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	(1)
Total changes of items during the period	(1)	(1)
Ending balance	5	3
Deferred gains or losses on hedges		
Beginning balance	-	(45)
Changes of items during the period		
Net changes of items other than shareholders' equity	(45)	45
Total changes of items during the period	(45)	45
Ending balance	(45)	-
Foreign currency translation adjustment		
Beginning balance	(777)	(1,033)
Changes of items during the period		
Net changes of items other than shareholders' equity	(255)	(883)
Total changes of items during the period	(255)	(883)
Ending balance	(1,033)	(1,916)
Total Accumulated other comprehensive income		
Beginning balance	(770)	(1,073)
Changes of items during the period		
Net changes of items other than shareholders' equity	(302)	(839)
Total changes of items during the period	(302)	(839)
Ending balance	(1,073)	(1,912)
Minority interests		
Beginning balance	548	599
Changes of items during the period		
Net changes of items other than shareholders' equity	51	9
Total changes of items during the period	51	9
Ending balance	599	608
Net assets		
Beginning balance	(8,534)	3,258
Changes of items during the period		
Issuance of new shares	10,999	-
Net income(loss)	1,046	2,571
Purchase of treasury stock	(2)	(1)
Net changes of items other than shareholders' equity	(250)	(830)
Total changes of items during the period	11,793	1,740
Ending balance	3,258	4,998

Consolidated Statements of Cash Flows
Millions of yen

	FY2009	FY2010
	Apr'09-Mar'10	Apr'10-Mar'11
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	1,582	3,835
Depreciation and amortization	2,433	3,664
Impairment loss	191	304
Loss (gain) on liquidation of subsidiaries and affiliates	-	(423)
Subsidy income	-	(246)
Gain on donation of non-current assets	-	(117)
Loss on disaster	-	430
Loss on change of contract	-	127
Equity in (earnings) losses of affiliates	152	50
Increase (decrease) in provision for retirement benefits	(1,610)	(329)
Increase (decrease) in allowance for doubtful accounts	54	(48)
Interest and dividends income	(20)	(19)
Interest expenses	229	234
Foreign exchange losses (gains)	30	7
Loss (gain) on sales of property, plant and equipment	(49)	4
Loss on retirement of non-current assets	175	434
Loss (gain) on sales of stocks of subsidiaries and affiliates	(39)	-
Stock issuance cost	53	-
Amortization of negative goodwill	(189)	(759)
Decrease (increase) in notes and accounts receivable-trade	515	(1,021)
Decrease (increase) in inventories	(1,171)	(499)
Increase (decrease) in notes and accounts payable-trade	(189)	(1,532)
Increase (decrease) in accrued expenses	946	233
Other, net	(2,216)	731
Subtotal	879	5,063
Interest and dividends income received	20	19
Proceeds from subsidy	-	246
Interest expenses paid	(257)	(208)
Income taxes paid	(430)	(732)
Change of contract paid	-	(127)
Other, net	-	24
Net cash provided by (used in) operating activities	211	4,283
Net cash provided by (used in) investing activities		
Payments into time deposits	(15)	(15)
Proceeds from withdrawal of time deposits	22	15
Purchase of property, plant and equipment	(913)	(2,503)
Proceeds from sales of property, plant and equipment	129	555
Purchase of intangible assets	(73)	(467)
Purchase of investment securities	(4)	(23)
Proceeds from sales of investment securities	6	16
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(4,798)	-
Proceeds from sales of stocks of subsidiaries and affiliates	150	-
Other, net	(9)	(82)
Net cash provided by (used in) investing activities	(5,505)	(2,505)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,894)	(4,108)
Repayment of long-term loans payable	(395)	(357)
Proceeds from issuance of common stock	10,999	-
Payments for issuance of common stock	(53)	-
Purchase of treasury stock	(2)	(1)
Repayments of finance lease obligations	(328)	(247)
Net cash provided by (used in) financing activities	5,325	(4,713)
Effect of exchange rate change on cash and cash equivalents	(124)	(319)
Net increase (decrease) in cash and cash equivalents	(92)	(3,254)
Cash and cash equivalents at beginning of period	7,504	7,411
Cash and cash equivalents at end of period	7,411	4,156

Consolidated Business Segment Information
Millions of yen

FY2009 Apr'09-Mar'10

	Electronic Materials	Batteries	Total	Elimination	Consolidated
I Net sales and Operating income					
Net sales					
Unaffiliated customers	37,673	30,773	68,447	-	68,447
Intersegment	-	-	-	-	-
Total	37,673	30,773	68,447	-	68,447
Selling, general and administrative expenses	38,130	27,918	66,048	-	66,048
Operating income (loss)	(456)	2,855	2,398	-	2,398
II Assets, Depreciation, Impairment loss and Capital expenditure					
Assets	19,169	42,839	62,008	2,506	64,515
Depreciation	988	1,444	2,433	-	2,433
Impairment loss	191	-	191	-	191
Capital expenditure	351	716	1,068	-	1,068

Consolidated Geographic Segment Information
Millions of yen

FY2009 Apr'09-Mar'10

	Japan	Asia	North America	Europe	Total	Elimination	Consolidated
I Net sales and Operating income							
Net sales							
Unaffiliated customers	38,640	25,726	2,167	1,913	68,447	-	68,447
Intersegment	5,600	7,108	68	42	12,819	(12,819)	-
Total	44,240	32,835	2,235	1,955	81,266	(12,819)	68,447
Selling, general and administrative expenses	42,521	31,853	2,189	1,973	78,538	(12,489)	66,048
Operating income (loss)	1,719	981	46	(18)	2,728	(329)	2,398
II Assets							
	60,862	22,337	2,070	1,116	86,387	(21,871)	64,515

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

FY2009 Apr'09-Mar'10

	Asia	North America	Other Countries	Total
I Total sales to foreign customers	23,088	4,856	4,755	32,699
II Consolidated net sales				68,447
III Percentage of sales to foreign customers to consolidated net sales	33.7%	7.1%	7.0%	47.8%

Consolidated Business Segment Information
Millions of yen

FY2009 Apr'09-Mar'10

	Business Segments Reported			All companies	Total	Ajustments	Consolidated Statements
	Batteries	Electronic Materials	Total				
Net sales							
Unaffiliated customers	30,810	37,637	68,447	-	68,447	-	68,447
Intersegment	-	-	-	-	-	-	-
Total	30,810	37,637	68,447	-	68,447	-	68,447
Segment income	2,243	155	2,398	-	2,398	-	2,398
Segment assets	43,067	18,941	62,008	2,506	64,515	-	64,515
Other items							
Depreciation	1,491	942	2,433	-	2,433	-	2,433
Amount of investment to equity method-treasury stock	-	1,258	1,258	-	1,258	-	1,258
Increase in property, plant and equipment and intangible assets	770	298	1,068	-	1,068	-	1,068

FY2010 Apr'10-Mar'11

	Business Segments Reported			All companies	Total	Ajustments	Consolidated Statements
	Batteries	Electronic Materials	Total				
Net sales							
Unaffiliated customers	57,651	36,779	94,431	-	94,431	-	94,431
Intersegment	-	-	-	-	-	-	-
Total	57,651	36,779	94,431	-	94,431	-	94,431
Segment income	3,909	486	4,396	-	4,396	-	4,396
Segment assets	43,340	14,542	57,882	1,075	58,958	-	58,958
Other items							
Depreciation	3,061	603	3,664	-	3,664	-	3,664
Amount of investment to equity method-treasury stock	-	1,130	1,130	-	1,130	-	1,130
Increase in property, plant and equipment and intangible assets	2,678	927	3,606	-	3,606	-	3,606

Business Results

(1) Analysis of Consolidated Business Results

1. Overview

The business environment of the FDK Group (hereinafter called “FDK”) during the fiscal year ending March 31, 2011, by the implementation of economic growth of the Asian countries and economic measures and monetary policies by many governments, the world economy was headed for recovery in the first half. However, economic recovery has appeared to be pausing as the effect of the stimulus plan wears off in the latter half. In addition, the effect of the Great East Japan Earthquake to domestic and international economy was not measurable and so it became a tough situation.

Under these circumstances, FDK executed the first-year projection of three year business plan (START10). We strengthened the battery business generating large profits and lithium-ion capacitors, which expected future growth, to carry out a new investment to extend mass production system. As for electronic device business, we have worked to streamline and further efficiency.

As for FDK’s business results, net sales were 94,431 million yen, a substantial increase of 25,983 million yen from the previous fiscal year. Operating income was 4,135 million yen, increased 2,282 million yen from the previous fiscal year due to the large profit expansion of battery business and extended the profit of the electronic device business. Income before income taxes was 3,853 million yen, increased 2,253 million yen from the previous fiscal year and net income was 2,571 million yen increased 1,524 million yen from the previous fiscal year due to the post of 824 million yen as extraordinary profit which included a gain on liquidation of subsidiaries and affiliates and the post of 1,125 million yen as an extraordinary loss which included loss on disaster.

The divisional sales overview is as follows.

2. Battery Business

Sales of alkaline batteries decreased from the previous year due to some sales decline by the tough competition in global market though there was a temporary demand growth by the Great East Japan Earthquake. Sales of Ni-MH batteries increased their sales in their broad range of applications, such as shavers, communication equipment, and son on, and in OEM products in Japan and overseas. Sales of lithium batteries were sold for mobile phones, laptop computers, digital cameras. Sales of cylindrical lithium catteries were increased for emergency devices and security gizmos and various meters such as gas and electric which required 10 years expected life. By adding sales amount of these two batteries in this fiscal year, total sales of battery business, total sales of battery business was largely increased.

As a result, sales for the battery business were 57,651 million yen, an increase of 26,877 million yen from the previous fiscal year.

3. Electronic Device Business

Sales of coil devices remained the same as the previous year due to the decrease in sales for automobiles in the latter half though it was much increased in the first half. Sales of piezoelectric components increased from the previous year Sales of multilayer power inductors and toner remained the same as the previous year. Sales of optical devices decreased from the previous year due to the decline in market needs on new submarine cable settlements. Sales of signal processing modules for LCDs increased from the previous year due to the increase in

order by market expansion. Sales of switching power supplies decreased from the previous year due to a sales decline for servers and storages.

As a result, sales for the electronic device business were 36,779 million yen, a decrease of 893 million yen from the previous fiscal year.

4. Forecast for the Fiscal Year Ending March 31, 2012

Regarding consolidated financial forecasts for the fiscal year ending March 31, 2012, due to the difficulty of determine the effects from the Great East Japan Earthquake, FDK will postpone the announcement of the year ending March 31, 2012.

Further detail will be announced as soon as it becomes available.

(2) Analysis of Financial Condition

1. Status of Assets, Liabilities and Net Assets

Total assets at the end of FY2010 decreased 5,557 million yen from the end of the previous fiscal year to 58,958 million yen. Current assets decreased 3,656 million yen to 35,366 million yen. Noncurrent assets decreased 1,901million yen to 23,591 million yen.

The principal causes for decreased current assets was a 3,254 million yen decrease in cash and deposits. The principal cause for decreased noncurrent assets was a 1,537 million yen decrease in total property, plant and equipment.

Total liabilities at the end of FY2010 decreased 7,297 million yen from the end of the previous fiscal year to 53,959 million yen. Current liabilities decreased 6,212 million yen from the end of the previous fiscal year to 42,823 million yen. Noncurrent liabilities decreased 1,085 million yen from the end of the previous fiscal year to 11,136 million yen.

The principal cause of decreased current liabilities was a 4,144 million yen decrease in short-term loans payable and a 2,349 million yen decrease in notes and accounts payable-trade. The principal cause for decreased non-current liabilities was a 759 million yen decrease in negative goodwill.

The interest-bearing debt decreased 4,252 million yen from the end of the previous fiscal year to 20,410 million yen.

Total net assets at the end of FY2010 increased 1,740 million yen from the end of the previous fiscal year to 4,998 million yen. The main factors for the increase in total net assets were a 2,571million yen increase in retained earnings by posting a net income of FY2010, though there was a 883 million decrease in foreign currency translation adjustment.

2. Cash Flow Condition

Net cash used in operating activities increased 4,283 million yen from the beginning of this fiscal year due to an increase in cash and cash equivalents (cash) by posting income before income taxes and depreciation and amortization, though some of the decrease in cash resulted from an increase in notes and accounts receivable trade and a decrease in notes and accounts payable-trade.

Net cash used in investment activities decreased 2,505 million yen from the beginning of this fiscal year due to the purchase of property, plant and equipment.

Net cash used in financing activities decreased 4,713 million yen from the beginning of this fiscal year due to the net decrease in short-term loans payable.

As a result, the balance of cash and cash equivalents at March 31, 2011 was 4,156 million yen, a decrease of 3,254 million yen from the beginning of the fiscal year.