

January 27, 2011

Consolidated Financial Results for the Third Quarter Ended December 31, 2010
(April 1, 2010 to December 31, 2010)

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 Nine-Months Period Ended December 31, 2010**a. Consolidated Results of Operations**

	Yen (millions)		Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2009	FY2009, ended Mar. 31, 2010	Nine months ended Dec. 31, 2010
Net Sales	72,724	46,192	68,447	\$892.98
Operating Income	4,274	1,134	2,398	\$52.48
Income(Loss) Before Income Taxes and Minority Interests	4,222	550	1,582	\$51.84
Net Income (Loss)	2,760	145	1,046	\$33.89

Amounts Per Share of Common Stock:

Basic Earnings (Loss)	12.7 yen	0.7 yen	4.98 yen	0.86 cent
Diluted Earnings	-	-		-

b. Net Sales by Business Segment

	Yen (millions)	Yen (millions)	Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2009	FY2009, ended Mar. 31, 2010	Nine months ended Dec. 31, 2010
Electronic Devices	29,115	28,618	37,673	\$357.50
Batteries	43,609	17,573	30,773	\$535.47
Total	72,724	46,192	68,447	\$892.98

c. Consolidated Financial Position

	Yen (millions)	
	As of Dec. 31, 2010	As of Mar. 31, 2010
Total Assets	64,999	64,515
Total Net Assets	4,852	3,258
Total Shareholders' Equity	6,491	3,732
Shareholders' Equity Ratio	6.5	4.1
Shareholders' Equity Per Share	(31.09) yen	(38.39) yen

d. Consolidated Statements of Cash Flows

	Yen (millions)	
	Nine months ended Dec. 31, 2010	Nine months ended Dec. 31, 2009
Cash Flows from	1,593	(610)
Operating Activities		
Cash Flows from	1,517	(579)
Investing Activities		
Cash Flows from	(1,233)	(576)
Financing Activities		
Cash and Cash Equivalents at End of Period	5,755	5,558
Consolidated Subsidiaries		15 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 81.44 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 fiscal year ending March 31, 2011

(Million of yen, except per share data)

	FY2010	Change from FY2009(%)
Net Sales	¥95,000	38.8
Operating Income	¥4,000	66.8
Net Income	¥2,400	129.4
Net Income per Share	11.05 yen	-

Note for the use of the above forecasted business results.

The forecast described above is based upon information available as of October 26, 2010.

3. Others

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

(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: Yes

(4) Number of shares outstanding (common stock)

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

December 31, 2010 : 217,505,884 shares March 31, 2010: 217,505,884 shares

2) Number of treasury shares at the end of each period

December 31, 2010 : 225,845 shares March 31, 2010: 218,916 shares

3) Weighted average number of shares outstanding in each period.

December 31, 2010 : 217,284,904 shares December 31, 2009: 207,538,224 shares

Consolidated Balance Sheets

Millions of yen

	Q3/FY2010 Dec 31, 2010	FY2009 Mar 31, 2010
Assets		
Current assets		
Cash and deposits	5,769	7,417
Notes and accounts receivable-trade	22,166	21,458
Merchandise and finished goods	4,035	2,597
Work in process	3,827	2,921
Raw materials and supplies	1,996	2,047
Deferred tax assets	128	265
Other	3,555	2,428
Allowance for doubtful accounts	(61)	(113)
Total current assets	41,417	39,023
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,602	8,079
Machinery, equipment and vehicles, net	8,374	9,422
Tools, furniture and fixtures, net	724	804
Land	3,479	3,469
Lease assets, net	506	402
Construction in progress	207	200
Total property, plant and equipment	20,894	22,378
Intangible assets	850	669
Investments and other assets		
Investment securities	131	130
Long-term loans receivable	9	14
Deferred tax assets	235	688
Other	1,459	1,610
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,836	2,444
Total noncurrent assets	23,581	25,492
Total assets	64,999	64,515
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,508	19,088
Short-term loans payable	23,040	23,794
Current portion of long-term loans payable	-	325
Lease obligations	265	230
Accounts payable-other	2,384	2,310
Income taxes payable	614	433
Other	2,818	2,853
Total current liabilities	48,632	49,036
Noncurrent liabilities		
Long-term loans payable	-	66
Lease obligations	553	546
Deferred tax liabilities	2	3
Provision for retirement benefits	7,594	7,778
Negative goodwill	3,036	3,605
Other	328	220
Total noncurrent liabilities	11,514	12,221
Total liabilities	60,146	61,257
Net assets		
Shareholders' equity		
Capital stock	28,301	28,301
Capital surplus	22,622	22,622
Retained earnings	(44,391)	(47,151)
Treasury stock	(41)	(40)
Total shareholders' equity	6,491	3,732
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3	5
Deferred gains or losses on hedges	-	(45)
Foreign currency translation adjustment	(2,249)	(1,033)
Total valuation and translation adjustments	(2,245)	(1,073)
Minority interests	606	599
Total net assets	4,852	3,258
Total liabilities and net assets	64,999	64,515

Consolidated Statements of Income
Millions of yen

	Q3/FY2009	Q3/FY2010
	Apr'09-Dec'09	Apr'10-Dec'10
Net sales	46,192	72,724
Cost of sales	39,588	59,882
Gross profit	6,603	12,841
Selling, general and administrative expenses	5,469	8,566
Operating income (loss)	1,134	4,274
Non-operating income		
Interest income	15	14
Amortization of negative goodwill	-	569
Rent income	19	24
Gain on sales of noncurrent assets	41	-
Other	103	141
Total non-operating income	180	748
Non-operating expenses		
Interest expenses	168	180
Foreign exchange losses	143	691
Loss on retirement of noncurrent assets	65	133
Other	305	148
Total non-operating expenses	683	1,153
Ordinary income (loss)	631	3,869
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	-	423
Subsidy	-	219
Gain on donation of noncurrent assets	-	117
Gain on sales of subsidiaries and affiliates' stocks	39	-
Total extraordinary income	39	759
Extraordinary loss		
Loss on retirement of noncurrent assets	-	174
Loss on change of contract	-	143
Business structure improvement expenses	111	-
Other	8	88
Total extraordinary loss	119	406
Income (loss) before income taxes	550	4,222
Income taxes-current	337	873
Income taxes-deferred	10	572
Total income taxes	348	1,445
Income before minority interests	-	2,777
Minority interests in income	56	17
Net income (loss)	145	2,760

Consolidated Statements of Cash Flows
Millions of yen

	Q3/FY2009 Apr'09-Dec'09	Q3/FY2010 Apr'10-Dec'10
Net cash provided by (used in) operating activities		
Income (loss) before income taxes	550	4,222
Depreciation and amortization	1,567	2,722
Gain on liquidation of subsidiaries and affiliates	-	(423)
Subsidy income	-	(219)
Gain on donation of noncurrent assets	-	(117)
Loss on change of contract	-	143
Equity in (earnings) losses of affiliates	119	29
Increase (decrease) in provision for retirement benefits	(1,505)	(184)
Increase (decrease) in allowance for doubtful accounts	(29)	(45)
Interest and dividends income	(16)	(15)
Interest expenses	168	180
Foreign exchange losses (gains)	22	28
Loss (gain) on sales of property, plant and equipment	(41)	(4)
Loss on retirement of noncurrent assets	65	307
Loss (gain) on sales of stocks of subsidiaries and affiliates	(39)	-
Stock issuance cost	53	-
Amortization of negative goodwill	-	(569)
Decrease (increase) in notes and accounts receivable-trade	118	(1,859)
Decrease (increase) in inventories	(314)	(2,641)
Increase (decrease) in notes and accounts payable-trade	812	1,711
Increase (decrease) in accrued expenses	(346)	(448)
Other, net	(1,430)	(633)
Subtotal	(246)	2,184
Interest and dividends income received	16	15
Proceeds from subsidy	-	219
Interest expenses paid	(201)	(170)
Income taxes paid	(178)	(655)
Net cash provided by (used in) operating activities	(610)	1,593
Net cash provided by (used in) investing activities		
Payments into time deposits	(11)	(11)
Proceeds from withdrawal of time deposits	10	3
Purchase of property, plant and equipment	(662)	(1,550)
Proceeds from sales of property, plant and equipment	84	507
Purchase of intangible assets	(4)	(373)
Purchase of investment securities	(4)	(23)
Proceeds from sales of investment securities	-	16
Proceeds from sales of stocks of subsidiaries and affiliates	150	-
Other, net	(141)	(86)
Net cash provided by (used in) investing activities	(579)	1,517
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(11,008)	(696)
Repayment of long-term loans payable	(260)	(357)
Proceeds from issuance of common stock	10,999	-
Payments for issuance of common stock	(53)	-
Purchase of treasury stock	(1)	(0)
Repayments of finance lease obligations	(252)	(178)
Net cash provided by (used in) financing activities	(576)	(1,233)
Effect of exchange rate change on cash and cash equivalents	(178)	(498)
Net increase (decrease) in cash and cash equivalents	(1,945)	(1,656)
Cash and cash equivalents at beginning of period	7,504	7,411
Cash and cash equivalents at end of period	5,558	5,755

Consolidated Business Segment Information

Millions of yen

Q3/FY2009 Apr'09-Dec'09

	Electronic Materials	Batteries	Total	Elimination	Consolidated
Net sales					
Unaffiliated customers	28,618	17,573	46,192	-	46,192
Intersegment	-	-	-	-	-
Total	28,618	17,573	46,192	-	46,192
Operating income (loss)	(217)	1,351	1,134	-	1,134

Consolidated Geographic Segment Information

Millions of yen

Q3/FY2009 Apr'09-Dec'09

	Japan	Asia	North America	Europe	Total	Elimination	Consolidated
Net sales							
Unaffiliated customers	24,914	19,598	423	1,256	46,192	-	46,192
Intersegment	3,061	5,385	39	29	8,516	(8,516)	-
Total	27,976	24,984	462	1,286	54,708	(8,516)	46,192
Operating income (loss)	529	785	(17)	10	1,307	(173)	1,134

Net Overseas Sales by Customer's Geographic Location

Millions of yen

Q3/FY2009 Apr'09-Dec'09

	Asia	North America	Other Countries	Total
Total sales to foreign customers	17,070	3,470	2,513	23,054
Consolidated net sales				46,192
Percentage of sales to foreign customers to consolidated net sales	37.0%	7.5%	5.4%	49.9%

Consolidated Business Segment Information

Millions of yen

Q3/FY2010 Apr'10-Dec'10

	Business Segments Reported				Consolidated Statements of income
	Batteries	Electronic Materials	Total	Ajustments	
Net sales					
Unaffiliated customers	43,609	29,115	72,724	-	72,724
Intersegment	-	-	-	-	-
Total	43,609	29,115	72,724	-	72,724
Segment income (Operating Income)	3,608	666	4,274	-	4,274

Business Results

1. Analysis of Consolidated Business Results

(1) Overview

The business environment of the FDK Group (hereinafter called “FDK”) for the nine months in FY2010 saw a slowdown in the pace of recovery in the latter half due to the lack of effectiveness of economic measures taken by many countries.

Under these circumstances, FDK has strengthened its business structure by continuing to implement the business structural reforms used to strengthen the company in the previous fiscal year.

As for FDK’s business results for the nine months in FY2010, net sales were 72,724 million yen, a substantial increase of 26,532 million yen from the same period last year. The increase was due to the addition of Ni-MH and lithium battery sales, which were transferred to FDK last January. As for profits, operating income was 4,274 million yen, an increase of 3,140 million yen from the same period last year. Income before income taxes was 4,222 million yen, an increase of 3,672 million yen from the same period last year. Net income was 2,760 million yen, an increase of 2,614 million yen from the same period last year.

The divisional sales overview is as follows.

(2) Battery Business

Overall sales for the battery business were 43,609 million yen, a 26,035 million yen increase from the same period last year. Although sales of alkaline batteries decreased from the same period last year due to the decrease in overseas sales in the latter period, sales of Ni-MH batteries and lithium batteries contributed to the increased sales of the battery business.

(3) Electronic Device Business

Overall sales for the electronic device business were 29,115 million yen, a 496 million yen increase from the same period last year. Sales of coil devices increased from the same period last year due to an increase in sales for automobiles. Sales of piezoelectric components and signal processing modules for LCDs increased from the same period last year. Sales of multilayer power inductors and toner stayed the same as last year. Sales of optical devices decreased from the same period last year due to a decline in market needs for new submarine cable settlements. Sales of switching power supplies decreased from the same period last year due to a sales decline for servers.

(4) Forecast for the Full Fiscal Year Ending March 31, 2011

For the nine months in FY2010, net sales increased from the same period last year, due largely to the addition of sales of Ni-MH batteries and lithium batteries. As for profits, due to business structural reforms made the previous fiscal year, all income categories have been exceeding the plan.

However, with regard to the future, the fourth quarter will turn out to be very tough and undergo a reversal due to the expected economic slowdown resulting from the end of the economic stimulus effect, soaring prices of raw materials such as rare earth minerals, and the prolonged impact of the strong yen.

Considering these impacts, the forecast remains unchanged for the fiscal year ending March 31, 2011 which was announced on October 26, 2010.

2. Analysis of Financial Condition

(1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the nine months in FY2010 increased 483 million yen (0.7%) from the end of the previous fiscal year to 64,999 million yen. Current assets increased 2,394 million yen (6.1%) to 41,417 million yen. Non-current assets decreased 1,911 million yen (-7.5%) to 23,581 million yen.

The principal causes for increased current assets were a 1,438 million yen increase in merchandise and finished goods and a 905 million yen increase in work in process, though cash and deposits decreased 1,648 million yen. The principal cause for decreased non-current assets was a 1,484 million yen decrease in total property, plant and equipment.

Total liabilities at the end of the nine months in FY2010 decreased 1,110 million yen (-2.8%) from the end of the previous fiscal year to 60,146 million yen. Current liabilities decreased 403 million yen (-0.8%) from the end of the previous fiscal year to 48,632 million yen. Non-current liabilities decreased 706 million yen (-5.8%) from the end of the previous fiscal year to 11,514 million yen. The principal cause of decreased current liabilities was a 754 million yen decrease in short-term loans payable. The principal causes for decreased non-current liabilities were a 569 million yen decrease in negative goodwill and a 184 million yen decrease in provisions for retirement benefits.

The interest-bearing debt decreased 1,104 million yen from the end of the previous fiscal year to 23,858 million yen.

Total net assets at the end of the nine months in FY2010 increased 1,593 million yen (48.9%) from the end of the previous fiscal year to 4,852 million yen. The primary factor for the increase in total net assets was a 2,760 million increase in retained earnings from posting a net income for the nine months in FY2010, though there was a 1,216 million yen decrease in foreign currency translation adjustment.

(2) Cash Flow Condition

Net cash used in operating activities for the nine months ended December 31, 2010 increased 1,593 million yen from the end of the previous fiscal year by posting income before income taxes, depreciation and amortization, and an increase in notes and accounts payable-trade, though there was a decrease in cash and cash equivalents (hereinafter called "cash") that resulted from an increase in inventories and in notes and accounts receivable-trade.

Net cash used in investment activities for the nine months ended December 31, 2010 decreased 1,517 million yen from the end of the previous fiscal year due to decrease in cash that resulted from the purchase of property, plants, equipment and intangible assets.

Net cash used in financing activities for the nine months ended December 31, 2010 decreased 1,233 million yen from the end of the previous fiscal year due to a decrease in short-term loans payable.

As a result, the balance of cash and the end of December 31, 2010 was 5,755 million yen, a decrease of 1,656 million yen from the end of the previous fiscal year.