FOR IMMEDIATE RELEASE
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FY2005 Third Quarter Consolidated Financial Results

(April 1, 2005 to December 31, 2005)

FDK CORPORATION

Listing Code No.6955 (Listing Stock Exchange: The first section of Tokyo Stock Exchange)
URL: http://www.fdk.com
Contact : Corporate Communication Group, Business Strategy & Planning Dept.
E-mail: niida@fdk.co.jp
U.S. GAAP is not applied.

1. Items Relevant to the Preparation of the Quarterly Financial Results
(1)Adoption of simplified accounting methods: Yes
Criteria for the allocation of taxes including corporate tax - adopted the methods used effective tax rate
(2)Changes in accounting methods: No
(3)Changes in scope of consolidation or application of equity method: Yes
1 excluded from the consolidated subsidiaries

2. Consolidated Statements of Operations for the Nine-Month Period (from Apr. 1, 2005 to Dec. 31, 2005)
a. Consolidated Statements of Operations

	Yen (millions)			Yen (millions)	U.S.Dollars (millions)
	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	Change(%)	FY2004 Full Year	Nine months ended Dec. 31, 2005
Net Sales	¥88,436	¥75,496	+17.1%	¥100,441	$749.01
Operating Income	1,078	1,617	-33.3%	1,542	9.13
Income(Loss) Before Income Taxes and Minority Interests	26	(651)	-	(1,721)	0.22
Net Income (Loss)	(572)	(1,474)	-	(2,713)	(4.84)
Amounts Per Share of Common Share:					
Basic Earnings (Loss)	(4.47)yen	(11.52)yen	-	(21.20)yen	(3.79)cent
Diluted Earnings	-	-	-	-	-

(Notes)
1.Figures in this report are rounded to the nearest million yen.
2.U.S. dollar amounts represent translations using approximate exchange rate on December 31, 2005, of yen 118=US$1, and are included solely for the convenience of readers.

b. Consolidated Financial Condition

	Yen (millions)		Yen (millions)
	As of Dec. 31, 2005	As of Dec. 31, 2004	As of Mar. 31, 2005
Total Assets	¥81,247	¥71,485	¥71,366
Shareholders' Equity	9,015	2,169	1,234
Shareholders' Equity Ratio	11.1%	3.0%	1.7%
Shareholders' Equity Per Share	(15.51)yen	(14.31)yen	(21.61)yen

(Note)
Shareholders' equity per share was calculated by excluding 11 billion yen of the preferred shares.

c. Consolidated Statements of Cash Flows

	Yen (millions)		Yen (millions)
	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	FY2004 Full Year
Cash Flows from Operating Activities	¥6,018	¥5,741	¥3,254
Cash Flows from Investing Activities	(2,435)	(2,702)	(3,034)
Cash Flows from Financing Activities	(4,085)	(3,495)	(462)
Cash and Cash Equivalents at End of Term	9,907	8,853	9,876

3. Reference - FY2005 Consolidated Financial Forecast (April 1, 2005 - March 31, 2006)

	(Forecast for FY2005)		(Ref. Result of FY2004)
	Yen (million)	change(%) (FY04 to FY05)	Yen (million)
Net Sales	¥118,500	+18.0%	¥100,441
Operating Income	1,200	-22.2%	1,542
Net Income(Loss)	(3,500)	-	(2,713)
Net Income(Loss) per Share	(27.35)yen	-	(21.20)yen

With regard to the above forecast for the FY2005, please refer to the "Announcement of the Revised Achievement Forecast" announced on January 31, 2006.

(Note)

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

Consolidated Statements of Operations

	Yen (millions)		
	Q3/FY2005 (Apr-Dec'05)	Q3/FY2004 (Apr-Dec'04)	FY2004 (Apr'04-Mar'05)
Net sales	¥ 88,436	¥ 75,496	¥ 100,441
Operating costs and expenses			
Cost of sales	79,055	65,765	87,862
Selling, general and administrative expenses	8,303	8,114	11,037
	87,358	73,879	98,899
Operating income	1,078	1,617	1,542
Other income (expenses)			
Interest and dividend income	54	46	66
Equity in earnings (losses) of affiliates, net	31	3	22
Interest charges	(560)	(568)	(721)
Other, net	(577)	(1,749)	(2,630)
	(1,052)	(2,268)	(3,263)
Income (loss) before income taxes and minority interests	26	(651)	(1,721)
Income taxes			
Current	543	650	854
Deferred	35	42	28
	578	692	882
Income (loss) before minority interests	(552)	(1,343)	(2,603)
Minority interests in income of consolidates subsidiaries	(20)	(131)	(110)
Net income (loss)	¥ (572)	¥ (1,474)	¥ (2,713)

Consolidated Balance Sheets

	Yen (millions)		
	31-Dec-05	31-Dec-04	31-Mar-05
Assets			
Current assets			
Cash and time deposit	¥ 9,937	¥ 8,879	¥ 9,894
Notes receivable-trade	1,046	1,420	968
Accounts receivable-trade	29,046	21,946	23,072
Inventories	10,199	9,298	7,991
Deferred tax assets	98	198	82
Other current assets	3,981	4,017	3,792
Less: Allowance for doubtful receivable	(88)	(74)	(121)
Total current assets	54,219	45,684	45,678
Tangible fixed assets			
Building and structures	9,450	9,306	9,086
Other depreciable assets	9,895	9,130	9,259
Land	4,427	4,378	4,393
Construction in progress	154	226	58
Total tangible fixed assets	23,926	23,040	22,796
Intangible assets	710	763	724
Investments and long-term loans			
Securities investments	132	135	120
Deferred tax assets	179	99	230
Other investments and long-term loans	2,081	1,764	1,818
Total investments	2,392	1,998	2,168
Total assets	¥ 81,247	¥ 71,485	¥ 71,366
Liabilities, minority interests and shareholders' equity			
Current liabilities			
Notes Payable-trade	¥ 236	¥ 306	¥ 276
Account payable-trade	32,662	23,387	21,089
Short-term borrowings	24,621	20,027	29,916
Current portion of long-term debt	3,090	12,568	7,506
Accrued income taxes	347	384	452
Other current liabilities	4,015	3,558	3,226
Total current liabilities	64,971	60,230	62,465
Long-term liabilities			
Long-term debt	1,427	3,928	2,306
Accrued retirement benefits	5,202	4,557	4,749
Other long-term liabilities	87	61	78
Total long-term liabilities	6,716	8,546	7,133
Minority interests in consolidated subsidiaries	545	540	534
Shareholders' equity			
Common stock	22,756	19,256	19,256
Capital surplus	17,135	13,635	13,635
Deficit	(30,391)	(28,721)	(29,893)
Unrealized gains (losses) on securities, net of taxes	22	12	16
Foreign currency translation adjustments	(483)	(1,993)	(1,759)
Treasury stock	(24)	(20)	(21)
Total shareholders' equity	9,015	2,169	1,234
Total Liabilities, minority interests and shareholders' equity	¥ 81,247	¥ 71,485	¥ 71,366

Consolidated Statements of Cash Flows

	Yen (millions)		
	Q3/FY2005 (Apr-Dec'05)	Q3/FY2004 (Apr-Dec'04)	FY2004 (Apr'04-Mar'05)
Cash flows from operating activities			
Income (loss) before income taxes and minority interests	¥ 26	¥ (651)	¥ (1,721)
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities			
Depreciation and amortization	2,691	2,965	3,846
Equity in earnings of affiliates, net	(31)	(3)	(22)
(Increase) decrease in receivable-trade	(4,432)	6,066	4,604
(Increase) decrease in inventories	(1,802)	(837)	891
Increase (decrease) in payable-trade	9,585	(710)	(3,401)
Other, net	1,111	(26)	761
Cash generated from operations	7,148	6,804	4,958
Interest paid	(566)	(559)	(731)
Interest and dividends received	54	46	66
Income taxes paid	(539)	(550)	(752)
Other, net	(79)	-	(287)
Net cash provided by operating activities	6,018	5,741	3,254
Cash flows from investing activities			
Purchase of tangible fixed assets	(2,367)	(2,333)	(2,934)
Proceeds from sales of tangible fixed assets	1	74	373
Purchase of intangible assets	(13)	(10)	(54)
Other, net	(56)	(433)	(419)
Net cash used in investing activities	(2,435)	(2,702)	(3,034)
Cash flows from financing activities			
Proceeds from issuance of new common stock	7,000	-	-
Proceeds from long-term debt	1	303	646
Repayment of long-term debt	(4,754)	(1,774)	(8,559)
Increase (decrease) in short-term borrowings	(6,314)	(1,940)	7,527
Other, net	(18)	(84)	(76)
Net cash provided by (used in) financing activities	(4,085)	(3,495)	(462)
Effect of exchange rate changes on cash and cash equivalents	533	(53)	96
Net increase (decrease) in cash and cash equivalents	31	(509)	(146)
Cash and cash equivalents at beginning of year	9,876	9,098	9,098
Increase in cash and cash equivalents from change of consolidated accounting period of consolidated subsidiaries	-	440	440
Increase in cash and cash equivalents from new consolidation	-	-	660
Decrease in cash and cash equivalents due to exclusion from consolidation	-	(176)	(176)
Cash and cash equivalents at end of year	¥ 9,907	¥ 8,853	¥ 9,876

Consolidated Statements of Shareholders' Equity

	Yen (millions)		
	31-Dec-05	31-Dec-04	31-Mar-05
Common Stock:			
Beginning balance	¥ 19,256	¥ 19,256	¥ 19,256
Increase from capital stock issued	3,500	-	-
Ending balance	¥ 22,756	¥ 19,256	¥ 19,256
Capital Surplus:			
Beginning balance	¥ 13,635	¥ 13,635	¥ 13,635
Increase in capital surplus from capital stock issued	3,500	-	-
Ending balance	¥ 17,135	¥ 13,635	¥ 13,635
Retained Earnings(Deficit)			
Beginning balance	¥ (29,893)	¥ (27,023)	¥ (27,023)
Increase in earnings from change of overseas subsidiary's functional currency	74	-	-
Increase in earnings from addition of consolidated companies	-	-	67
Net increase(decrease) in deficit from change of consolidated accounting period of consolidated subsidiaries	-	(224)	(224)
Net income(loss)	(572)	(1,474)	(2,713)
Ending balance	¥ (30,391)	¥ (28,721)	¥ (29,893)
Unrealized Gain(loss) on Securities,net of taxes:			
Beginning balance	¥ 16	¥ 12	¥ 12
Net increase in unrealized gain(loss) on securities	6	0	4
Ending balance	¥ 22	¥ 12	¥ 16
Foreign Currency Translation Adjustments:			
Beginning balance	¥ (1,759)	¥ (1,662)	¥ (1,662)
Net increase in foreign currency transaction adjustment	1,276	(331)	(97)
Ending balance	¥ (483)	¥ (1,993)	¥ (1,759)
Treasury Stock:			
Beginning balance	¥ (21)	¥ (15)	¥ (15)
Net decrease(increase) Treasury stock	(3)	(5)	(6)
Ending balance	¥ (24)	¥ (20)	¥ (21)

Business Performance and Finances

Business Performance Overview

During the nine-month period ended December 31, 2005, market of the digital consumer electronics such as flat panel TVs and mobile telephones were expanded and thus the demand for electronic devices were increased, though soaring crude oil prices affected the raw material prices.

In this circumstance, the FDK Group converted PDP business to LCD business, seeking for the establishment of strong business structure. This conversion caused certain costs and it could not be covered in the first quarter. In the second and the third quarter, we posted profits on quarterly basis since the sales of new products such as backlight inverter modules for LCDs increased, supported by the favorable market performance of electronic devices.

Consolidated net sales for the nine months were 88,436 million yen, increased by 17.1 % from the same term last year. Since accrued cost posted in the first quarter affected the Company income, consolidated operating income was 1,078 million yen, decreased by 33.3 % from the same term last year. Consolidated net loss for the nine months was 572 million yen.

Divisional sales overview would be reported as follows.

Electronic Component Business

Sales of Timing control board for LCDs were increased from the same term last year due to the increased orders from companies in China and Taiwan. Sales of inverter modules of backlights for LCDs were also increased by the orders from Korean companies. The inverter modules were highly appreciated "for the large display panel" in the market. Sales of hybrid modules for PDPs and switching power supplies were decreased from the same term last year.

Sales of coil devices were much increased from the same term last year, due to the increased sales of inverter modules, which were used as inverter transformers of backlights for LCDs as they were highly appreciated in the market.

Sales of multilayer power chip inductors were increased from the same term last year due to the extensive sales efforts and expansion of product lineup for the mobile phone market.

Although sales of stepper motors for OA equipment were decreased from the same term last year, sales of compact stepper motors for digital cameras and camera phones were increased from the same term last year.

According to the above-mentioned situation, net sales for nine months of the electronic component business were 70,725 million yen of 23.1% increase from the same term last year.

Battery Business

In domestic market, FDK strengthened sales promotion of the core products such as the high-performance alkaline battery "G series" and the higher performance alkaline battery "G Plus". Overseas sales were slightly decreased, and it was affected by the slow sales of the first quarter in North America. Consequently, net sales for nine months of this business were 17,711 million yen, decreased by 1.9 % from the same term last year.

Cash Flow Condition

Net cash provided by operating activities for nine months increased by 6,018 million yen due to the increase of the liquidation of receivables and the increase in the account payables, though there were some decrease due to the temporally increase in account receivables and inventories accrued by the increased sales.

Net cash used in investing activities decreased by 2,435 million yen resulting from investment to the facilities primarily on a module system business for LCDs.

Net cash provided by the financing activities decreased by 4,085 million yen due to the redemption of borrowing, though 7,000 million yen was accrued by the issuance of new shares.

As a result, balance of cash and cash equivalents at the end of the third quarter of FY2005 was 9,907 million yen, increased by 31 million yen from the end of the last fiscal year.