

January 28, 2005  
FDK CORPORATION

## FDK Sales Corporation to Merge with FDK Corporation

FDK Corporation is pleased to announce the Directors' meeting on January 28 resolved that its wholly owned subsidiary FDK Sales Corporation will be merged into FDK Corporation. This merger will be processed by means of Short Form Merger.

### **1.Objective of the Merger**

FDK will strengthen the domestic sales activities and accomplish efficiency in operating activities by merging FDK Sales and integrated their business functions with the Electronic Sales Division of FDK.

### **2.Details of Merger**

#### (1) Schedule

Directors' Meeting to approve the merger	January 28, 2005
Execution of the Merger Agreement	January 28, 2005
Shareholders' Meeting to approve the merger	
FDK Corporation:No meeting is scheduled per Commercial Code 413-3-1.	
FDK Sales Corporation:	February 14, 2005(planned)
Date of the merger	April 1, 2005(planned)
Register of the merger	April 1, 2005(planned)

#### (2) Method of the merger

FDK Corporation will absorb the subsidiary and continue its operations, while FDK Sales Corporation will be dissolved.

#### (3) Merger ratio

FDK owns 100% of the outstanding shares of the subsidiary, and therefore there will be no issuance of new shares at the time of merger.

#### (4) Merger grant

In view of FDK Corporation owning 100% of the outstanding shares of the subsidiary, there is no payments of grant for the merger.

### 3. Profiles of the two companies

(as of Sep. 30,2004)

(1)Company name	FDK Corporation (combined corporation)	FDK Sales Corporation (merged corporation)
(2)Main business	Manufacture & sales of electronic components and batteries.	Sales of electronic components.
(3)Founded	February 7, 1950	August 10, 1981
(4)Address(HQ)	5-36-11,Shimbashi, Minato-ku,Tokyo, Japan	5-36-11,Shimbashi, Minato-ku,Tokyo, Japan
(5)President	Toshiharu Sugimoto	Hideaki Yokota
(6)Capital	¥19,256 mil.	¥50 mil.
(7)Outstanding shares	138,075,884 shares ( included preferred shares of 10 mil.)	100,000 shares
(8)Shareholders' equity	¥8,096 mil.	¥179 mil.
(9)Total assets	¥68,618 mil.	¥901 mil
(10)Fiscal Year End	March 31	March 31
(11)Number of employees	1,391	25
(12)Main customers	Fujitsu, Sony, NEC, etc.	Nikon, Fujitsu Device, Chubu Fuji Electric, etc.
(13)Major shareholders and shares	(Common shares) Fujitsu Ltd. 39.6% Morgan Stanley & Co. Inc. 22.7% The Master Trust Bank of Japan, Ltd. 3.9% Japan Trustee Service Bank, Ltd. 2.4% Fuji Electric Holdings Corp. 2.4% (Preferred shares) Fujitsu Ltd. 100.0%	FDK Corp. 100%
(14)Main banks	Mizuho Bank, UFJ Bank Resona Bank	-
(15)Relationship	Equity : FDK holds 100% of votes of FDK Sales. Personnel : One director of FDK Sales is interlocking. Transaction : FDK Sales purchases products from FDK.	

(Note)

Shareholders' equity and total assets stated above are as of March 31, 2004.

(16) Operating results for the recent 3 years:

(¥ million, except ¥ per share)

Fiscal year	FDK Corporation			FDK Sales Corporation		
	3/20.02	3/20.03	3/20.04	3/20.02	3/20.03	3/20.04
Net Sales	84,581	62,978	64,287	3,215	3,006	2,565
Op. Income (Loss)	(493)	157	1,132	5	35	70
Net Income (Loss)	(11,542)	(5,443)	(8,997)	3	12	37
EPS	(138.94)	(65.55)	(108.08)	37.65	125.20	372.52
Dividends per share	0.00	0.00	0.00	0.00	0.00	100.00
Equity per share	126.69	60.57	32.01	1,296.58	1,421.79	1,794.31

#### 4. Profile of the combined corporation after the merger

(1) Company name: FDK Corporation

(2) Main business: Manufacture & sales of electronic components and batteries.

(3) Address(HQ): 5-36-11, Shimbashi, Minato-ku, Tokyo, Japan

(4) President : Toshiharu Sugimoto

(5) Capital: ¥19,256 mil.

(No new shares will be issued, and therefore no change in Capital.)

(6) Total assets : ¥63,000 mil.(¥300 mil. is the expected increase by the merger)

(Estimation was calculated on the expected total assets in FYE 3/2005.)

(7) Fiscal year end: March 31

(8) Possible effects on financing

There will be no effects on consolidated financials by the merger because FDK Sales Corporation is 100% subsidiary of FDK Corporation.