

September 12, 2014

Company Name: FDK CORPORATION
Representative: Michimasa Mochizuki
President & CEO
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Simplified Absorption-type Merger of Consolidated Subsidiary

FDK CORPORATION (“FDK”) announces today that the Board of Directors, at the Board meeting held on September 12, 2014, resolved the merger of FDK TWICELL CO., LTD. (“FDK TWICELL”), a consolidated subsidiary of FDK, on December 1, 2014 as follows.

As this merger is going to take place between FDK and a wholly owned subsidiary in the form of simplified absorption, certain matters and descriptions are omitted from the disclosure below.

Description

1. Purpose of the Merger

FDK decided to organizationally integrate the operation through the merger to manage more efficiently by using mutual resources and to further strengthen the business of multiple product of electronic components and nickel-metal hydride batteries.

2. Summary of the Merger

1) Schedule:

September 12, 2014:	The merger agreement was decided upon by the Boards of Directors.
September 12, 2014:	The merger agreement was signed by the two companies.
December 1, 2014 (planned):	Merger date (effective date)

Pursuant to Article 796, Paragraph 3 of the Corporate Act of Japan, FDK is going to execute this simplified absorption-type merger without obtaining the approval of its general shareholders’ meeting of FDK, Similarly, pursuant to Article 784, Paragraph 1 of the Corporate Act of Japan, FDK TWICELL is going to execute this simplified absorption-type merger without obtaining the approval of its general shareholders’ meeting of FDK TWICELL.

2) Merger method

In this simplified absorption-type merger, FDK will become the surviving company, and FDK TWICELL will be dissolved upon completion of the merger.

3) Substance of merger-related allotment of shares

In this simplified absorption-type merger, there will be no allotment of shares, cash or the like.

4) Treatment of share acquisition rights and bonds with share acquisition rights of the absorbed company in relation to this merger.

FDK TWICELL has not issued any share subscription rights or bonds with share subscription rights.

3. Outline of Parties Involved in the Merger (At March 31, 2014)

	Surviving company	Absorbed company	
(1) Corporate name	FDK CORPORATION	FDK TWICELL CO., LTD.	
(2) Head office address	5-36-11, Shimbashi, Minato-ku, Tokyo, Japan	307-2, Koyagi-machi, Takasaki-shi, Gunma, Japan	
(3) Representative	Michimasa Mochizuki, President & CEO	Masazumi Tsukada, President	
(4) Main line of business	Manufacture and sales of batteries and electric devices	Development, manufacture and sales of nickel-metal hydride batteries and battery pack	
(5) Capital	JPY 28,301 million	JPY 2,000 million	
(6) Established	Feb. 1, 1950	Apr. 2, 1990	
(7) Shares issued and outstanding	280,363,026 share	42,900 share	
(8) Fiscal year-end	March 31	March 31	
(9) Major shareholders and equity holding ratios	Fujitsu Limited 72.39% Fuji Electric Co., Ltd. 1.21% JAPAN SECURITIES CO., LTD. 1.15% DAI-ICHI METAL INDUSTRY CO., LTD. 0.44% Daiwa Securities Co., Ltd. 0.38%	FDK CORPORATION 100%	
(10) Financial conditions and business performance for the most recent fiscal year			
	Fiscal year-end	March 31, 2014 (Consolidated)	March 31, 2014 (Non-consolidated)
	Total assets	JPY 55,294 million	JPY 11,416 million
	Total net assets	JPY 6,508 million	JPY 5,827 million
	Shareholders' equity per share	JPY 21.00 yen	JPY 135,843.26 yen
	Net sales	JPY 76,624 million	JPY 15,844 million
	Operating income	JPY 1,448 million	JPY 410 million
	Ordinary income	JPY 1,471 million	JPY 430 million
	Net income	JPY 1,060 million	JPY 326 million
	Net income per share	JPY 4.88 yen	JPY 7,601.16 yen

4. Status of the Surviving Company following the Merger

No changes will be made to the FDK's name, head office location, representative titles or names, business activities, capital, or fiscal year as a result of the Merger.

5. Effects on Business Results

Since this merger is a merger with a wholly owned subsidiary of the Company, there will no impact on FDK's business forecast for the fiscal year ended March 31, 2015.

Reference:

Consolidated Financial Forecast for the year ending March 31, 2015 (Announced on July 30, 2014) and Consolidated Financial Results for the FY2013 ended March 31, 2014.

Millions of yen

	Net sales	Operating income	Ordinary income	Net income
Consolidated Financial Forecast for the year ending March 31, 2015	82,000	2,500	1,600	1,200
Consolidated Financial Results for the FY2013 ended March 31, 2014.	76,624	1,448	1,471	1,060