

July 27, 2016

Company Name: FDK CORPORATION
Representative: Michimasa Mochizuki
President & CEO
Code No.: 6955, Tokyo Stock Exchange Section 2
Contact: Yoshiharu Hirano, General Manager
Public and Investor Relations Dept.
Tel: +81-3-5715-7400

Simplified Absorption-type Merger of Consolidated Subsidiary

FDK CORPORATION (“FDK”) announces today that the Board of Directors, at the Board meeting held on July 27, 2016, resolved the merger of FDK TOTTORI CO., LTD. (“FDK TOTTORI”), a consolidated subsidiary of FDK, on October 1, 2016 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’s Lithium battery business is in a expansionary trend due to increasing demand in residential fire alarm, various meters and automotive markets as well as developing business market route in newly released thin type lithium battery.

In this expansion phase, FDK decided to organizationally integrate its operation through the merger in order to capitalize on mutual resources more effectively and to further strengthen the business of multiple product of electronic components and lithium batteries.

2. Summary of the Merger

1) Schedule:

July 27, 2016:	The merger agreement was decided upon by the Boards of Directors.
July 27, 2016:	The merger agreement was signed by the two companies.
October 1, 2016 (planned):	Merger date (effective date)

Pursuant to Article 796, Paragraph 2 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 TOTTORI is going to execute this simplified absorption-type merger without obtaining the approval of its general shareholders’ meeting of FDK TOTTORI.

2) Merger method

In this simplified absorption-type merger, FDK will become the surviving company, and FDK TOTTORI 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 TOTTORI has not issued any share subscription rights or bonds with share subscription rights.

3. Outline of Parties Involved in the Merger (At March 31, 2016)

	Surviving company	Absorbed company	
(1) Corporate name	FDK CORPORATION	FDK TOTTORI CO., LTD.	
(2) Head office address	1-6-41 Konan, Minato-ku, Tokyo, Japan	28 Ohta, Iwami-cho, Iwami-gun, Tottori, Japan	
(3) Representative	Michimasa Mochizuki, President & CEO	Satoru Fukuoka, President	
(4) Main line of business	Manufacture and sales of batteries and electric devices	Manufacture and sales of lithium batteries	
(5) Capital	JPY 28,301 million	JPY 450 million	
(6) Established	Feb. 7, 1950	Mar. 17, 1982	
(7) Shares issued and outstanding	280,363,026 share	9,000 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% DAI-ICHI METAL INDUSTRY CO., LTD. 0.46% SBI SECURITIES Co., Ltd. 0.39% Customers' Stockholding 0.34%	FDK CORPORATION 100%	
(10) Financial conditions and business performance for the most recent fiscal year			
	Fiscal year-end	March 31, 2016 (Consolidated)	March 31, 2016 (Non-consolidated)
	Total assets	JPY 54,217 million	JPY 8,769 million
	Total net assets	JPY 7,754 million	JPY 5,913 million
	Shareholders' equity per share	JPY 25.24 yen	JPY 657,053.60 yen
	Net sales	JPY 80,745 million	JPY 8,332 million
	Operating income	JPY 1,580 million	JPY 28 million
	Ordinary income	JPY 658 million	JPY 23 million
	Net income	JPY 179 million	JPY 22 million
	Profit attributable to owners of parent	JPY 167 million	-
	Net income per share	JPY 0.60 yen	JPY 2,499.13 yen

4. Status of the Surviving Company following the Merger

No changes will be made on 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 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, 2017.

Reference:

Consolidated Financial Forecast for the year ending March 31, 2017 (Announced on July 27, 2016) and Consolidated Financial Results for the FY2015 ended March 31, 2016.

	Millions of yen			
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Consolidated Financial Forecast for the year ending March 31, 2017.	82,000	1,500	1,000	500
Consolidated Financial Results for the FY2015 ended March 31, 2016.	80,745	1,580	658	167