

May 31, 2017

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 May 31, 2017, resolved the merger of FDK ENERGY CO., LTD. (“FDK ENERGY”), a consolidated subsidiary of FDK, on July 31, 2017 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 has been accelerating the construction of business model realizing the Energy Management Manufacturer by the battery business as the core.

FDK decided to organizationally integrate its operation of Alkaline battery, Ni-MH battery and Lithium battery through the merger in order to make speedy decision and capitalize on mutual resources more effectively to further expand the battery business.

2. Summary of the Merger

1) Schedule:

May 31, 2017:	The merger agreement was decided upon by the Boards of Directors.
May 31, 2017:	The merger agreement was signed by the two companies.
July 31, 2017 (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 ENERGY is going to execute this simplified absorption-type merger without obtaining the approval of its general shareholders’ meeting of FDK ENERGY.

2) Merger method

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

3. Outline of Parties Involved in the Merger (At March 31, 2017)

	Surviving company	Absorbed company	
(1) Corporate name	FDK CORPORATION	FDK ENERGY CO., LTD.	
(2) Head office address	1-6-41 Konan, Minato-ku, Tokyo, Japan	614 Washizu, Kosai-shi, Shizuoka, Japan	
(3) Representative	Michimasa Mochizuki, President & CEO	Kiyohide Tsutsui, President	
(4) Main line of business	Manufacture and sales of batteries and electric devices	Manufacture and sales of alkaline batteries and cylindrical type primary lithium batteries	
(5) Capital	JPY 28,301 million	JPY 700 million	
(6) Established	Feb. 7, 1950	Aug. 1, 2002	
(7) Shares issued and outstanding	280,363,026 share	10,000 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% Japan Securities Finance Co., Ltd. 0.47% DAI-ICHI METAL INDUSTRY CO., LTD. 0.46% Daiwa Securities Co. Ltd. 0.38%	FDK CORPORATION 100% * At May 31, 2017	
(10) Financial conditions and business performance for the most recent fiscal year			
	Fiscal year-end	March 31, 2017 (Consolidated)	March 31, 2017 (Non-consolidated)
	Total assets	JPY 49,132 million	JPY 7,992 million
	Total net assets	JPY 4,638 million	JPY 5,100 million
	Shareholders' equity per share	JPY 14.00 yen	JPY 510,063.61 yen
	Net sales	JPY 73,682 million	JPY 10,741 million
	Operating income	JPY -330 million	JPY 62 million
	Ordinary income	JPY -697 million	JPY 85 million
	Net income	JPY -3,133 million	JPY 68 million
	Profit attributable to owners of parent	JPY -3,166 million	-
	Net income per share	JPY -11.30 yen	JPY 6,819.65 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, 2018.

Reference:

Consolidated Financial Forecast for the year ending March 31, 2018 (Announced on April 27, 2017) and Consolidated Financial Results for the FY2016 ended March 31, 2017.

Millions of yen

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Consolidated Financial Forecast for the year ending March 31, 2018.	76,000	1,400	700	400
Consolidated Financial Results for the FY2016 ended March 31, 2017.	73,682	-330	-697	-3,166