

May 31, 2018

FDK CORPORATION
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**Notice on Change of Share Unit, Consolidation of Shares
 and Associated Partial Change of Articles of Incorporation**

Tokyo, May 31, 2018 -- FDK CORPORATION (“FDK”) announces that it has made a resolution at its Board of Directors Meeting held today to amend part of its Articles of Incorporation according to the provision of the Article 195(1) of Companies Act to change share unit of the FDK’s shares to comply with a request of Japanese Stock Exchange to which standardize the trading units for common shares issued by all listed domestic corporations at 100 shares by October 1, 2018 based on the “Action Plan for Consolidating Trading Units”

FDK also made a resolution to consolidate its ten shares into one share for the objective of maintaining investment unit with the proviso that it should be approved by 89th annual shareholders meeting.

Please let us notify to change of unit share, consolidation of shares, associated partial change of articles of incorporation as follows.

1. Change of share unit

(1) Details on change

FDK will change its share unit from 1,000 shares to 100 shares.

(2) Effective date

October 1, 2018, Monday

(Ref.) While the effective date of the change of share unit will be October 1, 2018, trading of 100 share unit at the Tokyo Stock Exchange will start in September 26, 2018 due to transfer procedure after trading shares.

2. Consolidation of shares

(1) Details of consolidation

(i) Type of shares to be consolidated

Common shares

(ii) Consolidation ratio and Effective Date

Every ten (10) shares will be consolidated into one (1) share on October 1, 2018 based on the number of shares held by shareholders recorded in the latest Register of Shareholders as of September 30, 2018.

(iii) Reduced number of shares as a result of consolidation

Total number of shares outstanding before share consolidation (March 31, 2018)	280,363,026 shares
Reduced number of shares as a result of share consolidation	252,326,724 shares
Total number of shares outstanding after share consolidation	28,036,302 shares

Note: “Reduced number of shares as a result of share consolidation” and “Total number of shares outstanding after share consolidation” are theoretical figures calculated based on the total number of outstanding shares before share consolidation and the consolidation ratio.

(iv) Total Number of Authorized Shares as of Effective Date

51,000,000 shares (510,000,000 shares before consolidation)

(2) Reduced number of shareholders as a result of consolidation

Shareholder composition according to current Shareholder Register as of March 31, 2018 is as follows:

	Number of shareholders (percentage)	Number of holding shares (percentage)
Holding less than 10 shares alone	261 (1.90%)	1,418 shares (0.00%)
10 shares or more	13,510 (98.10%)	262,361,608 shares (94.58%)
Total	13,771 (100%)	280,363,026 shares (100%)

Supposing that the shares are consolidated with the above shareholder composition, 261 shareholders (total holding shares: 1,418 shares) holding less than ten shares will lose their status of shareholder.

(3) Transaction for fractional share number less than one

If consolidation of shares produces any fraction less than one share in the number of the shares, under the provision of the Article 235 of Companies Act, all the fractional shares are sold at one time, and their proceeds are allocated to those shareholders of fractional shares on a pro rata basis.

(4) Conditions for consolidation

Consolidation of shares pre-supposes approval of agenda item on consolidation of shares as originally drafted at the 89th annual shareholders meeting.

3. Partial change of Articles of Incorporation

(1) Details in change

Delete regulation on preferred stock in addition to change total number of authorized shares.

Details in change are as follows:

Add supplementary provisions that consolidation of shares will be effective on October 1, 2018.

(Underlined word indicate change)

Current articles of incorporation	Changed articles of incorporation
<p>(Total Number of Authorized Shares) Article 6 The total number of authorized shares that may be issued by the Company shall be <u>540,000,000 shares consists of 510,000,000 common shares and 30,000,000 preferred shares.</u></p>	<p>(Total Number of Authorized Shares) Article 6 The total number of authorized shares that may be issued by the Company shall be <u>51,000,000.</u></p>
<p>(Share unit) Article 8 The Share Unit for <u>all kinds of shares of the Company shall be one thousand (1,000) shares.</u></p>	<p>(Share unit) Article 8 The Share Unit of the Company shall be <u>one hundred (100) shares.</u></p>
<p>(Preferred shares) <u>Part II 2 Article 11 to Article 18.</u> (text of the provisions omitted)</p>	<p><u><Delete></u></p>
	<p>Supplementary provisions Until October 1, 2018 where the effective date of consolidation of shares as proposed in agenda No.1 of the 89th annual shareholders meeting, the total number of authorized shares of the Company as stipulated in Article 6 is “540,000,000 shares” and the number of shares constituting one unit of the Company’s shares as stipulated in Article 8 shall be “1,000 shares”. The supplementary provisions shall be deleted on October 1, 2018 where the effect of the</p>

	consolidation of shares arises.
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(2) Effective date

October 1, 2018, Monday

This pre-supposes approval of the above 2. by voting as drafted.

4. Major Timelines

May 31, 2018 (Thursday) (Today)

Resolution of the board of directors meeting

June 27, 2018 (Wednesday)

the 89th annual shareholders meeting

September 25, 2018 (Tuesday) (TBD)

Final trading day at 1,000 share unit

September 26, 2018 (Wednesday) (TBD)

Initial trading day at 100 share unit

October 1, 2018 (Monday) (TBD)

Effective Date