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### Announcement of Non-operating expenses due to the discontinued operations of Consolidated Subsidiary and the Revised Financial Forecast

FDK announces non-operating expenses to be counted in 4<sup>th</sup> quarter (January 1, 2019 to March 31, 2019) of the fiscal year ending March 31, 2019 due to the discontinued operations of Consolidated Subsidiary.

And FDK has decided to revise the Company's financial forecast for the fiscal year ending March 31, 2019, due to this non-operating expenses

Detail is as follows.

#### 1. Contents of Non-operating expenses

367 million yen is prospected to be counted into non-operating expenses such as loss on retirement of non-current assets in 4<sup>th</sup> quarter of the fiscal year ending March 31, 2019 due to the discontinued operations of Consolidated Subsidiary SUZHOU FDK CO., LTD. as an announcement regarding "the Discontinued Operations of Consolidated Subsidiary" released on December 14<sup>th</sup> 2018.

#### 2. Revision of financial forecast for FY2018 (from Apr. 1, 2018 to Mar. 31, 2019): consolidated basis (Million yen)

|   | Net Sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent | Net Income Per Share |
|---|-----------|------------------|-----------------|---|----------------------|
| April 26, 2018 (A)                        | 74,000    | 700              | 200             | 100                                     | 3.50                 |
| April 18, 2019 (B)                        | 72,000    | 800              | 700             | -300                                    | -10.50               |
| Difference (B) - (A)                      | -2,000    | 100              | 500             | -400                                    |                      |
| Rate of difference (%)                    | -2.7      | 14.3             | 250.0           | -                                       |                      |
| (Ref.):<br>Financial Results of<br>FY2017 | 73,129    | 666              | 78              | -630                                    | -22.53               |

#### 3. Reasons for revision

Though the sales in 4<sup>th</sup> quarter decreased much more than forecast due to sales decrease of Ni-MH batteries, Lithium batteries and Signal Processing Modules for LCD, it is prospected that operating income for the fiscal year ending March 31, 2019 increase due to company-wide cost reduction activities. And it is prospected that ordinary income for the fiscal year ending March 31, 2019 also increase due to foreign exchange gains by depreciation of yen, though non-operating expenses is prospected to be counted in 4<sup>th</sup> quarter as mentioned in above item 1.

On the other hand, it is prospected that profit attributable to owners of parent decrease due to additional amount of liquidation loss and increase of prospected income tax in 4<sup>th</sup> quarter of the fiscal year ending March 31, 2019, in addition to 637 million yen counted into extraordinary loss in 3rd quarter.

#### (Remarks)

The information indicated above is calculated based on the information which is presently available and may contain some inaccurate elements. Therefore, the actual results may differ greatly from the forecasts indicated in this release due to some changes in business conditions.