

July 23, 2019

FDK CORPORATION  
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**Announcement of Extraordinary Loss**

FDK CORPORATION (“FDK”) announces extraordinary loss (Provision for loss on business transfer) to be counted into financial result for the first quarter ended June 30, 2019.

1. Contents of Extraordinary loss

FDK announced on April 26, 2019 that FDK had made the contract to transfer part of Ferrite, Coil device, Multilayer Power Inductors, Ceramic products (Piezoelectric products) business (except the business related with the manufacturing and sales of these products managed by FDK overseas subsidiary.) which are part of the Electronic Device Business of FDK to new company by company spilt (absorption-type) and to transfer all the shares of the said new company to Nagano Japan Radio Co., Ltd. And FDK announced on July 1, 2019 the complete of transfer of shares of the said new company. Regarding these announcements, FDK counted 745 million Yen of extraordinary loss as Provision for loss on business transfer mainly for the transfer of assets, transfer of employees related with the transferred business.

2. Future Prospect

Regarding the impact to consolidated business result by this extraordinary loss, FDK already included to the business forecast (consolidated basis) for the FY2019.

There is a risk of sales decrease from the second quarter as the business environment of FDK is now in a severe situation such as harder competition in overseas consumer market for Battery business and trade friction between U.S and China. FDK is considering measures to respond to such changes of business environment and investigating the business forecast thoroughly.

FDK will promptly disclose any information in case recognized the major impact to business result in future.

Reference:

Consolidated Financial Forecast for the year ending March 31, 2020 (Announced on April 26, 2019) and Consolidated Financial Results for the FY2018 ended March 31, 2018.

(Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit (Loss) attributable to owners of parent
Consolidated Financial Forecast for the year ending March 31, 2020.	65,000	800	500	-700
Consolidated Financial Results for the FY2018 ended March 31, 2019.	72,113	823	718	-290

(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.