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Announcement of Career change support program, extraordinary loss and Revised Financial Forecast

FDK CORPORATION (“FDK”) made the resolution in board meeting today to implement career change support program. And FDK announces extraordinary loss to be counted in the fiscal year ending March 31, 2020 due to the implementation of program and has decided to revise the Company’s financial forecast for the fiscal year ending March 31, 2020 announced on April 26, 2019 due to this extraordinary loss.

Detail is as follows.

1. Implementation of career change support program

FDK Group implemented the measures to proceed structural reform of the business such as the transfer of part of the Electronic Device business, the liquidation of consolidated subsidiary, and the transfer of the whole equity interest in equity method affiliate.

And FDK states the establishment of stabilization and profitable growth of existing business by structural reform and modification of business as one of the policy in a Mid Term Business Plan “R1” starting from FY2020 announced today. Under a new management vision that “FDK group, as a Smart Energy Partner, assemble advanced technologies, would like our customers to best utilize electric energy in a safe and efficient manner, and contribute to materialisation and development of sustainable society.” FDK has determined to prioritize to strengthen financial structure by streamline of employee to match to the business scale in order to proceed further efficiency of management resources, improvement of business value of the Electronic Device business, investment to new business such as next generation batteries. Along this decision, FDK reduces number of employees by implementation of career change support program and give maximum assistance and support for employees who wish to change career to realize next career formation by providing opportunities of new career. The overview of the program is as followings.

(1) Number of candidates sought:

Approximately 250 persons

(2) Eligible persons:

Employees of FDK, aged 45 and above (including assigned employees in FDK group and other companies)

(3) Application period:

December 10, 2019 – December 17, 2019

(4) Scheduled date of retirement:

January 31, 2020

(5) Other:

- Special retirement allowance will be provided to applicants on top of the normal retirement allowance.
- Should applicants wish, outplacement service by independent outplacement service company will be available.

2. Extraordinary loss

Approximately 1,700 million yen extraordinary loss is prospected to be counted in the fiscal year ending March 31, 2020 in case that number of candidates sought apply for the career change support program.

3. Revision of financial forecast for FY2019 (from Apr. 1, 2019 to Mar. 31, 2020): consolidated basis

(Million yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income Per Share
April 26, 2019 (A)	65,000	800	500	-700	-23.88
October 25, 2019 (B)	60,000	700	500	-2,000	-57.96
Difference (B)-(A)	-5,000	-100	0	-1,300	
Rate of difference (%)	-7.7	-12.5	0.0	-	
(Ref.): Financial Results of FY2018	72,113	823	718	-290	-9.91yen

4. Reasons for revision

Extraordinary loss is prospected to be counted due to implementation of career change support program. In addition, the sales is prospected to decrease much more than forecast due to sales decrease of Ni-MH batteries and Alkaline batteries in Japan and overseas consumer market and decrease of Signal processing module for large-size LCD and Switching power supply for semiconductor manufacturing equipment and LCD manufacturing equipment.

(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.