

August 7, 2020

FDK CORPORATION

President: Ryo Nagano

(Code: 6955 Second Section, TOKYO)

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Notice regarding the share transfer of our consolidated subsidiary and extraordinary gains

At the board meeting held today, we (or “FDK” or the “Company”) resolved to transfer all shares in PT FDK INDONESIA (“FDK INDONESIA” or the “Target”), our consolidated subsidiary that manufactures alkaline batteries (the “Transaction”). The Transaction will result in extraordinary gains recorded on our consolidated financial statements for the 3rd quarter of the fiscal year ending March 31, 2021. The summary of the Transaction is as follows:

1. Reason for the share transfer

In order to achieve our group strategy framework, “Status-to-be-in-10-years”, and the Mid Term Business Plan, “R1”, we are making efforts to transform the quality of our existing business. As part of the transformation, we have decided to transfer shares of FDK INDONESIA to increase our value-adds and achieve stable and profitable growth in our alkaline battery business by leveraging our high-quality products, prompt supply, and sales network with distribution companies cultivated over many years and focusing on domestic business including sales to domestic OEMs and private brands.

2. About PT FDK INDONESIA

(1) Name	PT FDK INDONESIA		
(2) Address	Kawasan Industri MM2100, Blok MM-1 Jatiwangi Cikarang Barat, Bekasi 17520 Jawa Barat, Indonesia		
(3) Name and title of representative	Yuji Tsuchida, President and CEO		
(4) Main business	Manufacture and sale of alkaline batteries		
(5) Capital	US\$12,001,500 (approx. JPY 1,306 million)		
(6) Establishment	August 1989		
(7) Shareholding ratio	Company: 99.98%, FDK SINGAPORE PTE. LTD: 0.02%		
(8) Relationship between the Company and the Target	Capital relationship	100% ownership (including indirect holding)	
	Personnel relationship	Appointment of directors from FDK	
	Business relationship	The Company purchases products from PT FDK INDONESIA	
(9) Business performance and financial status of the company for the last three years (JPY m)			
Fiscal year	FYE Mar 2018	FYE Mar 2019	FYE Mar 2020
Net assets	1,183	1,074	(359)
Total assets	3,825	3,726	2,142

Sales	6,252	5,873	4,266
Operating income	(51)	(87)	(175)
Ordinary income	(151)	(162)	(278)
Net income	(136)	(175)	(1,399)

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*The amounts in business performance and financial status are amounts converted into Japanese yen based on the exchange rate of each fiscal year.

3. About the Acquiror

(1) Name	Energizer International Group B.V.		
(2) Address	Prins Bernhardplein 200, Amsterdam 1097 JB, Netherlands		
(3) Main business	Sale of batteries and lights		
(4) Relationship between the Company and the Target	Capital relationship	Not applicable	
	Personnel relationship	Not applicable	
	Business relationship	Not applicable	
	Status as a related party	Not applicable	

4. Shares to be transferred

(1) Share ownership before the Transaction	Company: 100% (including indirect holdings)
(2) Shares transferred	100% (including indirect holdings)
(3) Purchase price	US\$ 7,176 (approx. JPY 753 million)
(4) Share ownership after the Transaction	Company: 0%

*The Purchase price is the price calculated based on the amount of debts as of March 31, 2020 and it may change as of the date of transfer of shares according to the price adjustment rule in the share purchase agreement.

*Exchange rate: US\$1: JPY 105

5. Schedule

(1) Board resolution	August 7, 2020
(2) Signing of the agreement	August 7, 2020
(3) Transfer of shares	October 1, 2020 (plan)

6. Future outlook

The Transaction will result in extraordinary gains of approx. JPY 800 million from the sale of the business recorded on our consolidated financial statements for the fiscal year ending March 31, 2021. The exact accounting period and amount are under investigation. These gains are already factored into the consolidated forecast for the fiscal year ending March 2021 announced today.

However, as stated in 4. (3) Purchase Price, the impact of the price adjustment as of the date of transfer of shares is not factored in.

We will promptly disclose any further information that may have significant impact on the business.