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FDK CORPORATION

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Announcement of the Revised Financial Forecast and Extraordinary Loss

Based on the recent business performance, FDK CORPORATION has revised the Company's financial forecast for the fiscal year ending March 31, 2022, which was announced on April 27, 2021.

In addition, FDK announces extraordinary loss to be counted into the financial forecast for the fiscal year ending March 31, 2022.

1. Revision of the financial forecast for FY2021 (from Apr. 1, 2021 to Mar. 31, 2022): consolidated basis

(Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Net Profit Per Share
April 27, 2021 (A)	60,000	1,900	1,500	1,600	46.37
March 30, 2022 (B)	60,000	1,900	1,800	600	17.39
Difference (B)-(A)	-	-	300	-1,000	
Rate of difference (%)	-	-	20.0	-62.5	
(Ref.): Financial Results of FY2020	61,543	1,743	1,274	2,009	58.24

2. Reasons for revision

Net sales and Operating profit are expected to be in line with the forecast announced on April 27, 2021, despite material procurement difficulties, soaring raw material prices and logistics disruptions in the 4th quarter. This is due in part to steady sales of Lithium batteries, Manufacturing equipment business in the Battery business and Various modules in the Electronic device business. Ordinary profit is expected to increase mainly due to a decrease in foreign exchange losses as a result of the weaker yen. Described in the next section and in accordance with the "Accounting Standard for Impairment of Fixed Assets", FDK expects to record an extraordinary loss as an impairment loss related to Alkaline batteries in the Battery business.

As a result of the reasons above, FDK has decided to revise the consolidated earnings forecast for the fiscal year ending March 31, 2022, which was announced on April 27, 2021, as shown above.

3. Extraordinary loss

In accordance with the "Accounting Standard for Impairment of Fixed Assets", FDK has recognized impairment losses related to Alkaline batteries in its Battery business. As a result, FDK has reduced the book value to the recoverable amount in the 4th quarter of the current consolidated fiscal year. FDK expect to record an impairment loss of approximately 1.2 billion yen as an extraordinary loss.

(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.