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FDK CORPORATION

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Announcement of the resolution to issue an opinion in support of a tender offer for our shares by SILITECH TECHNOLOGY CORPORATION

We, FDK CORPORATION, announced that, the Board of Directors adopted a resolution to issue an opinion in support of a tender offer for our shares by SILITECH TECHNOLOGY CORPORATION (“SILITECH”), and to leave the decision to shareholders on whether or not to tender shares.

This tender offer is not intended to delist our shares, and our shares are to remain listed on the Tokyo Stock Exchanges Standard section even after the tender offer. If the tender offer is completed, a change in the largest shareholder is expected to occur in mid-March 2025.

The planned number of shares for the tender offer is 15,527,400 common shares, approximately 45% of the total outstanding shares of FDK, which amount to 34,505,245 shares. The tender offer will be successful if the final valid number of shares to be tendered reaches the planned acquisition quantity. Today, SILITECH, along with Fujitsu Limited (“Fujitsu”), the parent company of FDK, signed a tender agreement. Fujitsu currently holds 20,295,422 common shares of FDK, representing approximately 58.82% of the outstanding shares. In this tender offer, Fujitsu will tender all of its shares in FDK as stipulated in the agreement. However, SILITECH will only acquire shares within the planned acquisition quantity. The tender offer price is 435 yen per common share.

FDK, established in 1950, focuses primarily on the manufacturing, sales of various types of batteries and electronic devices. Our business also includes battery packs, energy storage systems, and next-generation batteries/energy-related electronic devices. Beyond current battery technologies, FDK is committed to becoming the industry’s “Smart Energy Partner”, dedicating to the research and development of safe and efficient energy utilization methods. FDK’s Ni-MH Battery is the number one in global market share, due to our high durability, high-rate discharge, high energy density, and usability in a wide temperature range. Meanwhile, our Lithium Primary Battery, because of our stable discharge voltage, high flexibility for product design, wide temperatures coverage, and over 20 years life, is in the leading position in cylindrical battery products. Additionally, FDK provides electronic devices tailored to customer needs, such as switching power supplies, toner and modules. Additionally, we maintain a leading technological edge in energy storage and various applications while fulfilling its social responsibility for environmental protection.

SILITECH provides customers with design and manufacturing services based on core materials and technical processes that integrate rubber, plastic, optics, film, glass and other mechanical components, particularly in applications such as automotive interior modules and panel appearance modules. In addition, SILITECH is committed to the development of mechanical integrated components such as wearable products, smart lock, networking, and IoT, and continuously enhances its competitive advantages in the automotive and 5G sectors to expand its market share.

Since Fujitsu took a stake in us in 1972, we have been working in partnership with Fujitsu Group. However, as Fujitsu has been focusing its management resources on technology solutions and transforming itself into a “digital transformation company”, we have been positioned as one of its non-core businesses, and Fujitsu announced that it is considering specific ways to increase Fujitsu's corporate value including a carve-out of the business and equity/business partnerships. Therefore, we recognized the need for a partner who could work with us to implement structural reforms to accelerate the profitable growth of our core business.

In this situation, we received a proposal from Fujitsu to begin discussions and deliberations on the implementation of the tender offer, and we carefully considered whether or not this tender offer would contribute to enhance our corporate value. As a result, we came to the conclusion that it would contribute to the improvement of our corporate value by utilizing the network, know-how, resources, etc. of SILITECH Group.

After the completion of this tender offer, FDK will work to strengthen the collaboration between the two companies to expand the business scale. Building on existing products, the extensive business network will expand the customer base and sales markets, bringing new product portfolios and growth momentum. Through the integration of production capacity, this will contribute to improved operational efficiency, the expansion of EMS operations, and further optimization of manufacturing, R&D costs, and core competitiveness. Additionally, the expansion of production bases will help reduce operational risks, enabling the provision of more competitive products and services to customers, thereby enhancing the operational advantages of both companies.

In addition, we have gained a brand license from Fujitsu, who will remain as a major shareholder even after the tender offer, for a certain period of time, so we suppose our business will continue without any particular changes.