FDK

NEWS RELEASE

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Announcement of Offering of 1st Series Unsecured Convertible Bonds with Share Acquisition Rights (Subject to Conversion Price Revision Provision) to be Issued Through Third-Party Allotment

FDK CORPORATION (the "Company") hereby announces as follows that at its Board of Directors meeting held on August 26, 2026, the Company resolved to issue convertible bonds with share acquisition rights (the "Bonds with Share Acquisition Rights," and the bonds thereof are hereinafter referred to as the "Bonds," and the share acquisition rights attached thereto are hereinafter referred to as the "Share Acquisition Rights") to SILITECH TECHNOLOGY CORPORATION (the "Planned Allottee") through a third-party allotment (the "Third-Party Allotment").

1. Overview of Offering

1st Series Unsecured Convertible Bonds with Share Acquisition Rights

(1)	Due date of payment	September 11, 2026 The date of allotment of the Bonds with Share Acquisition Rights shall be September 11, 2026.
(2)	Total number of share acquisition rights	25 acquisition rights
(3)	Issue price of Bonds and Share Acquisition Rights	100 yen per 100 yen of the face value of each Bond However, no payment in exchange for the Share Acquisition Rights is required.
(4)	Number of dilutive shares resulting from issuance	Number of dilutive shares at the initial conversion price and the Floor Conversion Price: 5,000,000 shares (200,000 shares per Share Acquisition Right) There is no maximum conversion price with respect to the Bonds with Share Acquisition Rights.
(5)	Amount of funds to be procured	2,500,000,000 yen (estimated net proceeds: 2,420,000,000 yen)
(6)	Conversion price and provisions on revision thereof	The initial conversion price shall be 500 yen. On the date on which each conversion notice in respect of the Share Acquisition Rights is submitted to the Company (the "Revision Date"), if the amount equal to 90% of the average closing price (rounded up to the nearest yen; the "Revision Date Price") of the common shares of the Company in regular trading on the Tokyo Stock Exchange, Inc. (the "TSE") during the one-month period ending on (and including) the relevant Revision Date is higher or lower than the conversion price effective immediately prior to such Revision Date by one yen or more, the conversion price shall be revised to the Revision Date Price from such Revision Date onward. However, if the amount obtained as a result of the above calculation is less than 500 yen (the "Floor Conversion Price"), the revised conversion price shall be the Floor Conversion Price.
(7)	Method of offering or allotment	By way of third-party allotment
(8)	Planned Allottee	SILITECH TECHNOLOGY CORPORATION
(9)	Interest rate	0.3% per annum
(10)	Interest Payment Date	The first interest payment date shall be March 11, 2027 for the interest accrued up to (and including) that date. Payments thereafter shall be on March 11 and September 11 of each year, or on the early redemption date in the case of early redemption (the "Interest Payment Date"). Each of these payments shall be for the period, starting from the day after the preceding Interest Payment Date (or September 11, 2026 in the

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		case of the first Interest Payment Date) up to (and including) the current Interest Payment Date. If interest is calculated for a period of less than six months, such interest shall be calculated on a daily pro rata basis assuming a 365-day year, and any fraction less than one yen shall be rounded down. If an Interest Payment Date falls on a bank holiday, then the payment shall be made on the immediately preceding bank business day.
(11)	Redemption date	September 11, 2031
(12)	Redemption price	100 yen per 100 yen of the face value of each Bond
(13)	Details on restrictions on transfer and limits on the number of shares to be converted	Pursuant to the provisions of Rule 434, Paragraph 1 of the Securities Listing Regulations established by the TSE and Rule 436, Paragraphs 1 through 5 of the Enforcement Rules for Securities Listing Regulations, the Company will take measures to restrict the conversion or exercise of MSCBs, etc. (as defined in the Enforcement Rules; the same applies hereinafter) by purchasers, therefore, in the securities purchase agreement to be entered into with the Planned Allottee (the "Securities Purchase Agreement"), the following limits on the number of shares to be converted will be stipulated with respect to the Bonds with Share Acquisition Rights. Except in the case of the prescribed exclusion from application, in cases where during the calendar month containing the day on which the Planned Allottee intends to carry out conversion of the Bonds with Share Acquisition Rights, the number of shares to be acquired as a result of such conversion exceeds 10% of the number of listed shares of the Company as of September 11, 2026, the Company will not permit the Planned Allottee to carry out conversion of the Bonds with Share Acquisition Rights pertaining to the portion that exceeds 10% ("Over-the-limit Exercise"). Except in the case of the prescribed exclusion from application above, the Planned Allottee may not carry out Over-the-limit Exercise. Furthermore, when the Planned Allottee carries out conversion of the Bonds with Share Acquisition Rights, it shall confirm with the Company in advance whether the intended conversion would fall under the category of Over-the-limit Exercise. In the event the Planned Allottee transfers any of the Bonds with Share Acquisition Rights, (i) it must ensure that the prospective transferee agrees with the Company in advance on the terms concerning Over-the-limit Exercise, and (ii) if the prospective transferee further transfers the Bonds with Share Acquisition Rights to a third party, it must also ensure that such third party agrees with the Company in advance on the same terms.
(14)	Other matters	The Company will agree to the following matters with respect to the exercise of the Share Acquisition Rights in the Securities Purchase Agreement to be executed with the Planned Allottee as of today. (i) In principle, the Planned Allottee may not exercise the Share Acquisition Rights within nine months from the Closing Date. (ii) The transfer of the Bonds with Share Acquisition Rights by the Planned Allottee requires approval by resolution of the Board of Directors of the Company. In addition, under the Securities Purchase Agreement, except in certain cases such as the issuance of stock options to officers and employees of the Company group, as long as the Bonds with Share Acquisition Rights remain outstanding, the Company agrees that it will not, among others, during the period from the execution date of the Securities Purchase Agreement until 273 days after the due date of payment, issue or otherwise dispose of any of its common shares, securities convertible into or exchangeable for its common shares, or any securities representing the right to acquire or receive its common shares, without the prior written approval of the Planned Allottee.