

January 30, 2007

Nihon Dempa Kogyo Co., Ltd.

3rd Quarter Consolidated Financial Results

Tokyo, January 30, 2007 – Nihon Dempa Kogyo Co., Ltd. today announced its consolidated business results for the nine months ended December 31, 2006, the 3rd Quarter of the fiscal year ending March 31, 2007. The following summary of the business results and the attached financial statements are unaudited and prepared in accordance with Japanese GAAP.

1. Consolidated Financial Results for the Nine Months Ended December 31, 2006
(April 1, 2006 - December 31, 2006)

(Millions of Yen, Figures less than a million yen are omitted)

(1) Results of Operations	Nine months ended December 31,		Change	Year ended March 31,
	2006	2005		2006
Net sales	54,869	47,028	16.7%	63,642
Operating income	7,355	3,452	113.0%	5,270
Ordinary income	6,664	3,452	93.1%	5,183
Net income	3,806	2,575	47.8%	3,257
Earnings per share (Yen)	191.10	129.26		163.52
Earnings per share, diluted (Yen)	181.55	129.17		163.26

(2) Financial Position	December 31,		March 31,
	2006	2005	2006
Total assets	88,647	77,850	78,054
Net Assets	48,327	43,577	44,253
Owners' equity to total assets	54.4%	56.0%	56.7%
Owners' equity per share (Yen)	2,421.39	2,187.40	2,221.40

(3) Conditions of Cash Flows	Nine months ended December 31,		Year ended March 31,
	2006	2005	2006
Net cash provided by operating activities	9,273	6,519	9,285
Net cash used in investing activities	(8,222)	(4,594)	(6,177)
Net cash (used in)/provided by financing activities	3,015	(2,331)	(2,613)
Cash and cash equivalents at end of period	14,433	9,184	10,079

(4) Change in Scope of Consolidation

Consolidated subsidiaries	(addition) 0	(exclusion) 1
Equity method companies	(addition) 0	(exclusion) 0

2. Forecast for the Fiscal Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

(1) Results of Operations	Millions of Yen,
	Year ending March 31, 2007
Net sales	71,000
Operating income	8,400
Ordinary income	8,000
Net income	4,600
Earnings per share (Yen)	230.92

Note: The estimates showing above are based on information available to the Company on the date of the report's announcement. Due to the unforeseen circumstances, actual results may differ from such estimates.

Consolidated Balance Sheets
Nihon Dempa Kogyo Co., Ltd.

January 30, 2007

(Millions of Yen, Figures less than a million yen are omitted)

	December 31,	Composition	December 31,	Composition	March 31,	Composition
	2006	%	2005	%	2006	%
ASSETS						
Current assets:						
Cash on hand and bank deposits	14,133		9,184		10,079	
Trade receivables	19,809		16,843		16,822	
Short-term investments	300		-		-	
Inventories	8,506		8,115		8,623	
Others	2,949		2,819		3,259	
Allowances for doubtful receivables	(60)		(51)		(110)	
Total current assets	45,639	51.5	36,911	47.4	38,674	49.5
Noncurrent assets:						
Total property, plant and equipment, net	35,578		33,460		31,711	
Total intangible assets	1,472		2,678		2,470	
Total Investments and other assets	5,958		4,800		5,198	
Total noncurrent assets	43,008	48.5	40,938	52.6	39,379	50.5
Total assets	88,647	100.0	77,850	100.0	78,054	100.0

(Millions of Yen, Figures less than a million yen are omitted)

	December 31, 2006	Composition %	December 31, 2005	Composition %	March 31, 2006	Composition %
LIABILITIES AND EQUITY						
Current liabilities:						
Notes and accounts payable-trade	6,524		6,156		5,928	
Short-term loans	720		6,670		6,704	
Current portion of long-term debt	3,290		3,309		3,231	
Others	7,994		5,430		5,704	
Total current liabilities	18,528	20.9	21,566	27.7	21,569	27.6
Noncurrent liabilities:						
Convertible bonds	11,308		-		-	
Long-term debt	7,699		9,889		9,417	
Employee benefit obligations	2,195		2,141		2,144	
Retirement allowance for directors and statutory corporate auditors	580		548		556	
Others	8		44		31	
Total noncurrent liabilities	21,791	24.6	12,624	16.2	12,149	15.6
Total liabilities	40,319	45.5	34,191	43.9	33,718	43.2
Minority interests	-	-	81	0.1	83	0.1
Shareholders' equity:						
Share capital	-		10,649		10,649	
Capital surplus	-		10,634		10,634	
Retained earnings	-		22,087		22,769	
Fair value reserve for available-for-sale investment securities	-		928		855	
Foreign currency translation reserve	-		562		632	
Treasury stock, at cost	-		(1,284)		(1,288)	
Total shareholders' equity	-	-	43,577	56.0	44,253	56.7
Total liabilities, minority interests and shareholders' equity	-	-	77,850	100.0	78,054	100.0
Net assets:						
Shareholders' equity						
Share capital	10,649		-		-	
Capital surplus	10,634		-		-	
Retained earnings	26,118		-		-	
Treasury stock, at cost	(1,295)		-		-	
Total shareholders' equity	46,107	52.0	-	-	-	-
Fair value reserve, translation reserve and others						
Fair value reserve for available-for-sale investment securities	722		-		-	
Foreign currency translation reserve	1,403		-		-	
Total fair value reserve, translation reserve and others	2,126	2.4	-	-	-	-
Minority interests	94	0.1	-	-	-	-
Total net assets	48,327	54.5	-	-	-	-
Total liabilities and net assets	88,647	100.0	-	-	-	-

Consolidated Statements of Income
Nihon Dempa Kogyo Co., Ltd.

January 30, 2007

(Millions of Yen, Figures less than a million yen are omitted)

	December 31,	Composition	December 31,	Composition	March 31,	Composition
	2006	%	2005	%	2006	%
Net sales	54,869	100.0	47,028	100.0	63,642	100.0
Cost of sales	39,141	71.3	35,341	75.1	47,448	74.6
Gross profit	15,728	28.7	11,686	24.9	16,194	25.4
Selling, general and administrative expenses	8,373	15.3	8,233	17.6	10,923	17.1
Operating income	7,355	13.4	3,452	7.3	5,270	8.3
Non-operating income	221	0.4	281	0.6	330	0.5
Non-operating expenses	911	1.7	282	0.6	417	0.7
Ordinary income	6,664	12.1	3,452	7.3	5,183	8.1
Extraordinary income	131	0.3	220	0.5	234	0.4
Extraordinary expenses	1,147	2.1	766	1.6	2,095	3.3
Income before income taxes	5,648	10.3	2,905	6.2	3,322	5.2
Current tax expenses	2,252	4.1	693	1.5	1,089	1.7
Deferred tax expenses / (benefits)	(416)	(0.7)	(362)	(0.8)	(1,025)	(1.6)
Minority interests	5	0.0	(0)	(0.0)	0	0.0
Net income	3,806	6.9	2,575	5.5	3,257	5.1

Consolidated Statements of Cash Flows
Nihon Dempa Kogyo Co., Ltd.

January 30, 2007

(Millions of Yen, Figures less than a million yen are omitted)

	December 31, 2006	December 31, 2005	March 31, 2006
Operating activities:			
Income before income taxes	5,648	2,905	3,322
Depreciation and amortisation	5,284	5,162	7,054
Interest and dividend income	(109)	(67)	(83)
Interest expense	126	167	204
(Increase)/decrease in trade receivables	(2,407)	159	(248)
(Increase)/decrease in inventories	276	(519)	(996)
Increase/(decrease) in trade payables	165	241	8
Other, net	1,380	508	2,037
Sub-total	10,363	8,556	11,298
Interest and cash dividends received	86	67	83
Interest paid	(141)	(169)	(200)
Income taxes paid, net	(1,035)	(1,935)	(1,896)
Net cash provided by operating activities	9,273	6,519	9,285
Investing activities:			
Purchase of property, plant and equipment	(7,512)	(4,638)	(6,056)
Purchase of investment securities	(506)	(306)	(408)
Other, net	(204)	350	286
Net cash used in investing activities	(8,222)	(4,594)	(6,177)
Financing activities:			
Net decrease in short-term loans	(5,952)	(1,441)	(1,119)
Proceeds from long-term debt	1,000	3,400	3,600
Repayment of long-term debt	(2,659)	(4,009)	(4,759)
Proceeds from issuing convertible bonds	11,012	-	-
Other, net	(386)	(281)	(333)
Net cash (used in)/provided by financing activities	3,015	(2,331)	(2,613)
Net effect of currency translation on cash and cash equivalents	288	320	313
Net increase in cash and cash equivalents	4,354	(85)	808
Cash and cash equivalents at beginning of year	10,079	9,270	9,270
Cash and cash equivalents at end of period	14,433	9,184	10,079