

July 27, 2007

Nihon Dempa Kogyo Co., Ltd.

1st Quarter Consolidated Financial Results

Tokyo, July 27, 2007 – Nihon Dempa Kogyo Co., Ltd. today announced its consolidated business results for the three months ended June 30, 2007, the 1st Quarter of the fiscal year ending March 31, 2008. 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 Three Months Ended June 30, 2007

(April 1, 2007 - June 30, 2007)

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

(1) Results of Operations	Three months ended June 30,		Change	Year ended March 31,
	2007	2006		2007
Net sales	19,167	16,678	14.9%	73,307
Operating income	2,801	1,938	44.5%	9,427
Ordinary income	2,768	1,793	54.4%	8,551
Net income	1,781	1,278	39.3%	4,716
Earnings per share (Yen)	89.42	64.18		236.76
Earnings per share, diluted (Yen)	79.78	63.98		221.20

(2) Financial Position	June 30,		March 31,
	2007	2006	2007
Total assets	89,395	78,864	88,449
Net Assets	51,495	45,079	49,259
Owners' equity to total assets	57.5%	57.1%	55.6%
Owners' equity per share (Yen)	2,580.02	2,258.66	2,468.03

(3) Conditions of Cash Flows	Three months ended June 30,		Year ended March 31,
	2007	2006	2007
Net cash provided by operating activities	2,973	4,707	14,677
Net cash used in investing activities	(1,552)	(2,513)	(11,501)
Net cash (used in)/provided by financing activities	(1,489)	(511)	1,991
Cash and cash equivalents at end of period	15,786	11,725	15,526

(4) Change in Scope of Consolidation

There was no significant change in scope of consolidation for the three months ended June 30, 2007.

2. Forecast for the Fiscal Year Ending March 31, 2008 (April 1, 2007 - March 31, 2008)

(Millions of Yen)

(1) Results of Operations	The six months	Year ended
	ended September 30, 2007	March 31, 2008
Net sales	38,000	79,000
Operating income	4,800	10,000
Ordinary income	4,500	9,500
Net income	2,900	6,000
Earnings per share (Yen)	145.60	301.23

There was no change in figures of forecast for the fiscal year ending March 31, 2008 from the previous announcement dated on April 25, 2007.

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.

July 27, 2007

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

	June 30, 2006	Composition %	June 30, 2007	Composition %	March 31, 2007	Composition %
ASSETS						
Current assets:						
Cash on hand and bank deposits	11,725		15,485		15,226	
Accounts receivable-trade	16,233		19,378		18,694	
Short-term investments	-		300		300	
Inventories	8,654		8,855		8,528	
Others	2,182		2,357		3,643	
Allowances for doubtful receivables	(113)		(84)		(76)	
Total current assets	38,683	49.1	46,294	51.8	46,317	52.4
Noncurrent assets:						
Total property, plant and equipment, net	32,549		35,494		34,271	
Total intangible assets	2,250		1,079		1,134	
Total Investments and other assets	5,381		6,527		6,726	
Total noncurrent assets	40,181	50.9	43,101	48.2	42,132	47.6
Total assets	78,864	100.0	89,395	100.0	88,449	100.0

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

	June 30, 2006	Composition %	June 30, 2007	Composition %	March 31, 2007	Composition %
LIABILITIES AND NET ASSETS						
Current liabilities:						
Notes and accounts payable-trade	5,958		6,969		6,534	
Short-term loans	6,148		300		600	
Current portion of long-term loans	3,515		2,985		3,175	
Others	6,099		7,177		7,811	
Total current liabilities	21,722	27.5	17,432	19.5	18,121	20.5
Noncurrent liabilities:						
Convertible bonds	-		11,275		11,291	
Long-term loans	9,293		6,383		6,991	
Employee benefit obligations	2,167		2,199		2,188	
Retirement allowance for directors and statutory corporate auditors	563		602		588	
Others	38		8		8	
Total noncurrent liabilities	12,062	15.3	20,468	22.9	21,069	23.8
Total liabilities	33,785	42.8	37,900	42.4	39,190	44.3
Net assets:						
Owners' equity						
Share capital	10,649		10,649		10,649	
Capital surplus	10,634		10,634		10,634	
Retained earnings	23,889		28,311		27,028	
Treasury stock, at cost	(1,288)		(1,305)		(1,298)	
Total owners' equity	43,884	55.7	48,290	54.0	47,013	53.2
Fair value reserve, translation reserve and others						
Fair value reserve for available-for-sale investment securities	639		820		757	
Foreign currency translation reserve	471		2,278		1,389	
Total fair value reserve, translation reserve and others	1,111	1.4	3,099	3.5	2,147	2.4
Minority interests						
	84	0.1	105	0.1	97	0.1
Total net assets	45,079	57.2	51,495	57.6	49,259	55.7
Total liabilities and net assets	78,864	100.0	89,395	100.0	88,449	100.0

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

July 27, 2007

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

	June 30, 2006	Composition %	June 30, 2007	Composition %	March 31, 2007	Composition %
Net sales	16,678	100.0	19,167	100.0	73,307	100.0
Cost of sales	12,015	72.0	13,506	70.5	52,487	71.6
Gross profit	4,662	28.0	5,660	29.5	20,819	28.4
Selling, general and administrative expenses	2,724	16.4	2,858	14.9	11,392	15.5
Operating income	1,938	11.6	2,801	14.6	9,427	12.9
Non-operating income	70	0.5	147	0.8	313	0.4
Interest income	19		52		144	
Dividend income	9		23		21	
Rental income	7		2		18	
Other income	35		69		130	
Non-operating expenses	215	1.3	180	1.0	1,189	1.6
Interest expenses	52		34		157	
Bonds issue expenses	-		-		317	
Foreign exchange losses	141		125		520	
Other expenses	21		20		194	
Ordinary income	1,793	10.8	2,768	14.4	8,551	11.7
Extraordinary income	7	0.0	3	0.0	146	0.2
Gain on sales of property, plant and equipment ("PPE")	2		3		11	
Reversal of impairment for PPE	-		-		25	
Gain on sales of investment securities	-		-		5	
Reversal of reserve for doubtful accounts receivable	5		-		104	
Extraordinary expenses	77	0.5	89	0.4	1,829	2.5
Loss on retirement of PPE	9		7		166	
Loss on impairment of PPE	67		13		1,662	
Loss on sales of investment securities	-		35		-	
Loss on valuation of investment securities	-		33		-	
Income before income taxes	1,724	10.3	2,682	14.0	6,869	9.4
Current tax expenses	499	3.0	732	3.8	3,067	4.2
Deferred tax expenses / (benefits)	(55)	(0.4)	165	0.9	(922)	(1.2)
Minority interests	2	0.0	3	0.0	7	0.0
Net income	1,278	7.7	1,781	9.3	4,716	6.4

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

July 27, 2007

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

	June 30, 2006	June 30, 2007	March 31, 2007
Operating activities:			
Income before income taxes	1,724	2,682	6,869
Depreciation and amortization	1,681	1,673	7,462
Impairment loss on fixed assets	67	13	1,662
Interest and dividend income	(28)	(75)	(165)
Interest expense	52	34	157
(Increase)/decrease in trade receivables	540	(260)	(1,358)
(Increase)/decrease in inventories	(72)	(167)	248
Increase/(decrease) in trade payables	112	16	277
Other, net	1,157	1,306	718
Sub-total	5,235	5,224	15,871
Interest and cash dividends received	28	58	125
Interest paid	(62)	(30)	(166)
Income taxes paid, net	(494)	(2,278)	(1,152)
Net cash provided by operating activities	4,707	2,973	14,677
Investing activities:			
Purchase of property, plant and equipment	(2,183)	(1,795)	(10,355)
Purchase of investment securities	(302)	(1)	(507)
Proceeds from sale of investment securities	-	269	10
Other, net	(27)	(24)	(649)
Net cash used in investing activities	(2,513)	(1,552)	(11,501)
Financing activities:			
Net decrease in short-term loans	(552)	(300)	(6,072)
Proceeds from long-term loans	1,000	-	1,000
Repayment of long-term loans	(839)	(798)	(3,481)
Proceeds from issuing convertible bonds	-	-	11,012
Other, net	(119)	(390)	(467)
Net cash (used in)/provided by financing activities	(511)	(1,489)	1,991
Net effect of currency translation on cash and cash equivalents	(36)	328	279
Net increase in cash and cash equivalents	1,646	259	5,447
Cash and cash equivalents at beginning of year	10,079	15,526	10,079
Cash and cash equivalents at end of period	11,725	15,786	15,526