

January 29, 2008

Nihon Dempa Kogyo Co., Ltd.

3rd Quarter Consolidated Financial Results

Tokyo, January 29, 2008 – Nihon Dempa Kogyo Co., Ltd. today announced its consolidated business results for the nine months ended December 31, 2007, the 3rd 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 Nine Months Ended December 31, 2007

(April 1, 2007 - December 31, 2007)

(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	2007		2007
Net sales	54,869	60,379	10.0%	73,307
Operating income	7,355	8,649	17.6%	9,427
Ordinary income	6,664	8,620	29.3%	8,551
Net income	3,806	5,882	54.5%	4,716
Earnings per share (Yen)	191.10	294.30		236.76
Earnings per share, diluted (Yen)	181.55	263.20		221.20

(2) Financial Position	December 31,		March 31,
	2006	2007	2007
Total assets	88,647	92,706	88,449
Net assets	48,327	54,225	49,259
Owners' equity to total assets	54.4%	58.4%	55.6%
Owners' equity per share (Yen)	2,421.39	2,701.06	2,468.03

(3) Conditions of Cash Flows	Nine months ended December 31,		Year ended March 31,
	2006	2007	2007
Net cash provided by operating activities	9,273	8,963	14,677
Net cash used in investing activities	(8,222)	(8,191)	(11,501)
Net cash (used in)/provided by financing activities	3,015	(3,691)	1,991
Cash and cash equivalents at end of period	14,433	12,575	15,526

(4) Change in Scope of Consolidation

There was no significant change in scope of consolidation for the nine months ended December 31, 2007.

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

	Millions of Yen
	Year ended March 31, 2008
Net sales	80,000
Operating income	11,500
Ordinary income	11,500
Net income	7,800
Earnings per share (Yen)	389.39

There was no change in figures of forecast for the fiscal year ending March 31, 2008 from the previous announcement dated on October 5, 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.

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

	December 31, 2006	Composition %	December 31, 2007	Composition %	March 31, 2007	Composition %
ASSETS						
Current assets:						
Cash on hand and bank deposits	14,133		12,575		15,226	
Notes and accounts receivable-trade	19,809		20,926		18,694	
Short-term investments	300		-		300	
Inventories	8,506		8,943		8,528	
Others	2,949		4,389		3,643	
Allowances for doubtful receivables	(60)		(46)		(76)	
Total current assets	45,639	51.5	46,787	50.5	46,317	52.4
Noncurrent assets:						
Total property, plant and equipment, net	35,578		38,470		34,271	
Total intangible assets	1,472		1,126		1,134	
Total investments and other assets	5,958		6,321		6,726	
Total noncurrent assets	43,008	48.5	45,918	49.5	42,132	47.6
Total assets	88,647	100.0	92,706	100.0	88,449	100.0

Consolidated Balance Sheets
Nihon Dempa Kogyo Co., Ltd.

January 29, 2008

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

	December 31, 2006	Composition %	December 31, 2007	Composition %	March 31, 2007	Composition %
LIABILITIES						
Current liabilities:						
Notes and accounts payable-trade	6,524		7,791		6,534	
Short-term loans	720		-		600	
Current portion of long-term loans	3,290		1,753		3,175	
Others	7,994		8,958		7,811	
Total current liabilities	18,528	20.9	18,503	20.0	18,121	20.5
Noncurrent liabilities:						
Convertible bonds	11,308		11,242		11,291	
Long-term loans	7,699		5,945		6,991	
Employee benefit obligations	2,195		2,190		2,188	
Retirement allowance for directors and statutory corporate auditors	580		590		588	
Others	8		8		8	
Total noncurrent liabilities	21,791	24.6	19,977	21.5	21,069	23.8
Total liabilities	40,319	45.5	38,481	41.5	39,190	44.3
NET ASSETS						
Owners' equity:						
Share capital	10,649		10,649		10,649	
Capital surplus	10,634		10,828		10,634	
Retained earnings	26,118		31,911		27,028	
Treasury stock	(1,295)		(1,208)		(1,298)	
Total owners' equity	46,107	52.0	52,180	56.3	47,013	53.2
Fair value reserve, translation reserve and others:						
Fair value reserve for available-for-sale investment securities	722		505		757	
Foreign currency translation reserve	1,403		1,420		1,389	
Total fair value reserve, translation reserve and others	2,126	2.4	1,925	2.1	2,147	2.4
Minority interests:	94	0.1	119	0.1	97	0.1
Total net assets	48,327	54.5	54,225	58.5	49,259	55.7
Total liabilities and net assets	88,647	100.0	92,706	100.0	88,449	100.0

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

January 29, 2008

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

	December 31, 2006	Composition %	December 31, 2007	Composition %	March 31, 2007	Composition %
Net sales	54,869	100.0	60,379	100.0	73,307	100.0
Cost of sales	39,141	71.3	43,087	71.4	52,487	71.6
Gross profit	15,728	28.7	17,292	28.6	20,819	28.4
Selling, general and administrative expenses	8,373	15.3	8,643	14.3	11,392	15.5
Operating income	7,355	13.4	8,649	14.3	9,427	12.9
Non-operating income	221	0.4	328	0.6	313	0.4
Interest income	92		176		144	
Dividends income	17		32		21	
Rental income	13		4		18	
Other income	98		115		130	
Non-operating expenses	911	1.7	356	0.6	1,189	1.6
Interest expenses	126		86		157	
Bond issue expenses	317		-		317	
Foreign exchange losses	363		168		520	
Other expenses	103		102		194	
Ordinary income	6,664	12.1	8,620	14.3	8,551	11.7
Extraordinary income	131	0.3	146	0.2	146	0.2
Gain on sales of property, plant and equipment ("PPE")	8		18		11	
Reversal of impairment for PPE	-		-		25	
Gain on sales of investment securities	5		-		5	
Reversal of allowances for doubtful receivables	117		27		104	
Government grants	-		99		-	
Extraordinary expenses	1,147	2.1	300	0.5	1,829	2.5
Loss on disposal of PPE	122		75		166	
Loss on impairment of PPE and intangible assets	987		129		1,662	
Loss on sales of investment securities	-		35		-	
Loss on impairment of investment securities	37		53		-	
Loss on impairment of golf club memberships	-		7		-	
Income before income taxes	5,648	10.3	8,466	14.0	6,869	9.4
Current tax expenses	2,252	4.1	2,477	4.1	3,067	4.2
Deferred tax expenses / (benefits)	(416)	(0.7)	84	0.2	(922)	(1.2)
Minority interests	5	0.0	21	0.0	7	0.0
Net income	3,806	6.9	5,882	9.7	4,716	6.4

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

January 29, 2008

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

	December 31, 2006	December 31, 2007	March 31, 2007
Operating activities:			
Income before income taxes	5,648	8,466	6,869
Depreciation and amortisation	5,284	5,590	7,462
Loss on impairment of property, plant and equipment and intangible assets	987	129	1,662
Interest and dividends income	(109)	(208)	(165)
Interest expenses	126	86	157
Increase in trade receivables	(2,407)	(2,325)	(1,358)
(Increase)/decrease in inventories	276	(447)	248
Increase in trade payables	165	1,381	277
Other, net	392	33	718
Sub-total	10,363	12,704	15,871
Interest and cash dividends received	86	152	125
Interest paid	(141)	(84)	(166)
Income taxes paid, net	(1,035)	(3,809)	(1,152)
Net cash provided by operating activities	9,273	8,963	14,677
Investing activities:			
Purchase of property, plant and equipment	(7,512)	(7,195)	(10,355)
Purchase of investment securities	(506)	(6)	(507)
Proceeds from sales of investment securities	10	269	10
Other, net	(214)	(1,259)	(649)
Net cash used in investing activities	(8,222)	(8,191)	(11,501)
Financing activities:			
Net decrease in short-term loans	(5,952)	(600)	(6,072)
Proceeds from long-term loans	1,000	-	1,000
Repayment of long-term loans	(2,659)	(2,467)	(3,481)
Proceeds from issuing convertible bonds	11,012	-	11,012
Other, net	(386)	(623)	(467)
Net cash (used in)/provided by financing activities	3,015	(3,691)	1,991
Net effect of currency translation on cash and cash equivalents	288	(32)	279
Net increase/(decrease) in cash and cash equivalents	4,354	(2,951)	5,447
Cash and cash equivalents at beginning of year	10,079	15,526	10,079
Cash and cash equivalents at end of period	14,433	12,575	15,526