



Notice of Differences between Half-Year Financial Forecast and Actual Results, and Revisions to Full-Year Financial Forecast and Dividend Forecast

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Nihon Dempa Kogyo Co., Ltd. (NDK) hereby announces the differences between the half-year consolidated financial forecast announced on May 14, 2021 and the actual results disclosed today for the six months ended September 30, 2021. Taking the recent performances into consideration, NDK has also revised the full-year consolidated financial forecast and dividend forecast announced on May 14, 2021 for the fiscal year ending March 31, 2022, as described below.

1. Differences between Consolidated Financial Forecast and Actual Results for the Six Months Ended September 30, 2021 (April 1, 2021 - September 30, 2021)

	Net sales	Operating income (loss)	Income(Loss) before income tax	Net income(loss) for the period	Net income(loss) attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	21,100	1,800	1,500	1,400	1,400	71.34
Actual results (B)	22,267	2,839	2,601	2,430	2,430	123.86
Increase/(Decrease) (B-A)	1,167	1,039	1,101	1,030	1,030	
Increase/(Decrease) in percentage (%)	5.5%	57.7%	73.4%	73.6%	73.6%	
(Reference) Six months ended September 30, 2020 (actual)	17,575	(1,453)	(1,663)	(2,157)	(2,157)	(109.93)

[Reasons for the differences]

The actual sales of 76.8MHz crystal units with built-in thermistor for 5G smartphones, crystal oscillators for 5G base stations in the USA and India, and other sales including tuning fork crystal units for PCs exceeded the initial forecast made at the beginning of the fiscal year.

In the automotive electronic market, the amount of orders received continuously surpassed the amount of sales, which lead to better trading conditions. In addition to the stronger demand and improved product mix, the exchange rate fluctuation also lifted the profits: 110.18 yen for the US dollar (actual) versus 104.00 yen (at the time of previous announcement). As a result, actual sales, operating income, pre-tax income, income attributable to owner of the parent all exceeded the forecasts announced at the beginning of the fiscal year.

2. Revision of the Full-year Consolidated Financial Forecast

Revision of Consolidated Financial Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

	Net sales	Operating income (loss)	Income(Loss) before income tax	Net income(loss) for the period	Net income(loss) attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous forecast (A)	42,500	2,900	2,300	2,100	2,100	107.01
Revised forecast (B)	44,500	4,900	4,400	4,000	4,000	203.83
Increase/(Decrease) (B-A)	2,000	2,000	2,100	1,900	1,900	
Increase/(Decrease) in percentage (%)	4.7%	69.0%	91.3%	90.5%	90.5%	
(Reference) Year ended March 31, 2021 (actual)	39,195	2,844	2,592	1,976	1,976	100.70

[Reason for revision]

NDK has decided to revise the full-year financial forecast for the following reasons. Firstly, the full-year sales in the mobile communications market (including 5G smartphones), industrial equipment market (including 5G base stations), and consumer market (including PCs) are expected to exceed the initial forecasts made at the beginning of the fiscal year. In addition, the exchange rate against the US dollar for the second half of the fiscal year is forecasted higher at 111.75 yen (versus 104.00 yen in the previous forecast). Accordingly, the sales and income are expected to exceed the initial forecast announced at the beginning of the fiscal year.

On the other hand, despite the continuous strong demand in the automotive electronic market, there is a probability that the amount of orders from our customers will fall if they stop building up inventories as a result of production adjustment which is occurring in the automobile makers globally. Taking this into account, NDK anticipates that the outlook for the full-year sales for the automotive electronics market would be less promising compared with the initial forecast at the beginning of the fiscal year.

3. Revision of Dividend Forecast

(1) Revision of Dividend Forecast

	Annual dividends per share		
	Second quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen
Previous forecast		undetermined	undetermined
Revised forecast		5.00	5.00
Period ended September 30, 2021 (actual)	0.00		
Year ended March 31, 2021 (actual)	0.00	0.00	0.00

(2) Reason for revision

At the time of the previous announcement, the payment of the year-end dividend per share was not determined. Since the financial forecast is now expected to exceed the forecast announced at the beginning of the fiscal year, NDK expects to pay a year-end dividend of five (5) yen per share.

Notes:

Forward-looking statements about our future performance are based on the information that are available to us at the time of disclosure and certain assumptions that are deemed to be reasonable. Due to unforeseen circumstances, actual results may differ significantly from such estimates.