



Notice Regarding the Recording of Deffered Tax Assets and Differences between Consolidated Financial Forecast and Results

May 13, 2022

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Nihon Dempa Kogyo Co., Ltd. hereby announces the recording of deffered tax assets at the year-end closing, and the differences between the consolidated financial forecast announced on November 9, 2021 and the financial results announced today for the fiscal year ended March 31, 2022 (April 1, 2021 - March 31, 2022).

1. Booking of Deferred Tax Assets

After prudent consideration on the recoverability of deffered tax assets in the future based on the financial forecasts, we have decided to book deferred tax assets for the portion which is expected to be recoverable, and recorded the income taxes-deferred of ¥(1,665) million.

2. Differences between Consolidated Financial Forecast and Actual Results for the Year Ended March 31, 2022 (April 1, 2021 - March 31, 2022)

	Net sales	Operating income	Income before income tax	Net income for the period	Net income attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast (A)	44,500	4,900	4,400	4,000	4,000	203.83
Results (B)	45,408	5,180	4,920	5,455	5,455	278.01
Increase (B-A)	908	280	520	1,455	1,455	
Increase in percentage (%)	2.0	5.7	11.8	36.4	36.4	
(Reference) The Fiscal year ended March 31, 2021	39,195	2,844	2,592	1,976	1,976	100.70

[Reason for differences]

The Group's operating income and income before taxes exceeded the previous forecast, reflecting increased net sales mainly in the automotive applications, which was above expectations, and improved profitability. Regarding the net income and income attributable to owners of parent, in addition to the reasons mentioned above, the booking of deferred tax assets and the income tax-deferred of ¥(1,665) million contributed to the business results, hence exceeding the previous forecast.

End