



**Notice Regarding Posting of Other Operating Expenses,
Difference between Consolidated Financial Forecasts and Results for the Six Months Ended September 30, 2019,
and Revision of Consolidated Financial Forecasts for the Year Ended March 31, 2020
and Revision of Dividends Payment Forecasts**

November 8, 2019

Company Name **Nihon Dempa Kogyo Co., Ltd.**
 Representative **Hiromi Katoh, Representative Director and President
(Code 6779 Tokyo Stock Exchange, 1st Section)**
 Person in charge for inquiries **Michio Aoyama, Corporate Officer and General Manager of Administration Division
(Phone: +81-3-5453-6709)**

Nihon Dempa Kogyo Co., Ltd. (hereinafter "NDK") announced that the Board of Directors has resolved at the meeting held today to post impairment losses as other operating expenses. NDK also informs here the difference between consolidated financial forecasts announced on May 10, 2019 and results for the six months ended September 30, 2019.

In addition, taking recent business trend into consideration, NDK announces revision of consolidated financial forecasts for the full year ended March 31, 2020 which was announced on May 10, 2019, and revision of dividends payment forecasts as follows.

1. Posting of Other Operating Expenses

1,884 million yen is posted as impairment losses due to the sales decrease at the mobile markets anticipated in the future which have been unprofitable.

2. Difference between Consolidated Financial Forecasts and Results for the Six Months Ended September 30, 2019

	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)	20,300	(500)	(650)	(700)	(700)	(35.67)
Result (B)	19,825	(2,718)	(2,790)	(2,796)	(2,796)	(142.51)
Increase/(Decrease) (B-A)	(475)	(2,218)	(2,140)	(2,096)	(2,096)	
Increase/(Decrease) in percentage(%)	(2.3)	-	-	-	-	
(Reference) Six Months Ended September 30, 2018	21,218	(494)	(715)	(753)	(753)	(38.41)

[Reason for differences]

NDK has almost achieved the plan to reduce fixed costs by transferring its production line among factories including the transfer of small-mass production line for mobile communications from its Sayama factory to its Hakodate factory. Sales, however, mainly for automotive and industrial equipment fell below the forecasts which lead to the reduction of profit below forecasts as well. In addition, as mentioned above, impairment losses were posted. As a result, difference between consolidated financial forecasts and results for the six months ended September 30, 2019 occurred.

3. Revision of Consolidated Financial Forecasts for the Year Ended March 31, 2020

	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)	42,500	600	200	100	100	5.10
Revised Forecast (B)	39,800	(6,400)	(6,700)	(7,000)	(7,000)	(356.69)
Increase/(Decrease) (B-A)	(2,700)	(7,000)	(6,900)	(7,100)	(7,100)	
Increase/(Decrease) in percentage(%)	(6.4)	-	-	-	-	
(Reference) The Year Ended March 31, 2019	42,498	406	(56)	(251)	(251)	(12.80)

[Reason for differences]

Also in the second half of the year, sales mainly for automotive and industrial equipment are anticipated to remain sluggish. Accordingly, sales are expected to stay slightly higher than the first half of the year.

Additionally, as announced today by the “Notice Regarding Implementation of Structural Reforms,” NDK will post approximately 700 million yen for costs such as special retirement benefits incurred by offering voluntary early retirement at the non-consolidated company (parent company) and approximately 2 billion yen of expense incurred by factory relocation of Suzhou NDK Co., Ltd. (Suzhou City, Jiangsu Province, China), one of our consolidated subsidiaries, as other operating expenses. As a result, NDK announces revision of consolidated financial forecasts for the full year as above.

4. Revision of Dividends Payment Forecasts

	Annual dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previous Forecast announced on May 10, 2019	Yen	Yen	Yen
		undecided	undecided
Revised Forecast		0.00	0.00
The year ended March 31, 2020 (Result)	0.00		
The year ended March 31, 2019 (Result)	0.00	0.00	0.00

[Reason for differences]

Regarding dividends payment forecasts for fiscal year-end, the outlook of dividend payment had been undecided. However, in view of the consolidated financial forecasts for this fiscal year, NDK regrets to inform that dividends are not expected to be paid.

Notes:

The above forecasts on our future performance are based on the information currently available and certain assumptions we consider reasonable. Due to unforeseen circumstances, actual results may differ materially from such estimates.

END