



Notice Regarding Posting of Other Operating Expenses and Difference of Consolidated Financial Forecast and Results

May 10, 2019

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Nihon Dempa Kogyo Co., Ltd. has decided in today's board of directors that impairment losses posts as other operating expenses. The Company also informs here the difference between consolidated financial forecast announced on February 6, 2019 and results for the year ended March 31, 2019 (April 1, 2018 - March 31, 2019).

1. Posting of Other Operating Expenses (Impairment Loss)

The Company have decided to post total 396 million yen as impairment losses for mainly the crystal units equipment for mobile market and the optical device related facilities in our subsidiary, Furukawa NDK Co., Ltd., both of which were idled because of reviewing and restructuring of production system.

2. Difference of Consolidated Financial Forecast and Results for the Year Ended March 31, 2019 (April 1, 2018 - March 31, 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)	42,500	500	300	200	200	10.19
Results (B)	42,498	406	(56)	(251)	(251)	(12.80)
Increase/(Decrease) (B-A)	(2)	(94)	(356)	(451)	(451)	
Increase/(Decrease) in percentage (%)	(0.0)	(18.8)	-	-	-	
(Reference) The Year Ended March 31, 2018	43,952	(9,618)	(9,640)	(10,202)	(10,202)	(519.87)

[Reason for differences]

The net sales were mostly same as expected, however, regarding operating income, income before income tax, and net income for the period were below the expectations, because in addition to the above impairment loss, financial expenses unexpectedly increased due to the impairment losses of other financial assets, though the previous forecast profits had been estimated to be accomplished by gain on sales of 1.8 billion yen derived from sales of land use rights and buildings of Suzhou NDK Co., Ltd., whose relocation had been announced on March 25, 2019.

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