[Summary]

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2012 [IFRS]

February 6, 2012

Company Name **Nihon Dempa Kogyo Co., Ltd.** Stock Exchange Listing: **Tokyo Stock Exchange, 1st Section**

Code **6779** **URL http://www.ndk.com/**

Representative **Hiroshi Takeuchi, President and Representative Director**

Person in charge for inquiries **Kyoichi Wakabayashi, Executive Vice President, General Manager of Treasury and Accounting Division** Phone: **+81-3-5453-6709**

Scheduled date to submit the Quarterly Securities Report **February 10, 2012**

Scheduled commencement date of dividend payment **-**

Supplemental material for quarterly financial results **: None**

Holding of the briefing session for quarterly financial results **: None**

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

1. Consolidated Financial Results for the Third Quarter of the Year Ending March 31, 2012 (April 1, 2011 - December 31, 2011)

(1) Consolidated Operating Results (year-to-date) (% figures represent the changes from the same period of the previous year)

	Net sales		Operating income		Income before income tax		Net income for the period		Net income attributable to owners of the parent		Total comprehensive income for the period	
Nine months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
December 31, 2011	38,633	(8.0)	1,674	(22.9)	1,331	(29.6)	1,487	(19.0)	1,487	(19.0)	762	24.4
December 31, 2010	41,991	6.5	2,171	(45.6)	1,891	(56.4)	1,836	(57.1)	1,836	(57.1)	612	(84.1)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2011	75.78	75.78
December 31, 2010	93.57	93.54

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	Million Yen	Million Yen	Million Yen	%
As of December 31, 2011	68,006	25,022	25,022	36.8
As of March 31, 2011	67,586	24,652	24,652	36.5

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2011	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2012	-	10.00	-		
Fiscal year ending March 31, 2012 (Forecast)				10.00	20.00

(Note) Revision of dividends forecast from the latest announcement : **None**

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2012 (April 1, 2011 - March 31, 2012)

(% figures represent the changes from the same period of the previous year)

	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 (forecast)
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Fiscal year ending March 31, 2012	55,000	0.1	2,500	19.4	2,200	29.7	2,000	15.0	2,000	15.0	101.89

(Note) Revision of consolidated financial results forecast from the latest announcement : **None**

4. Others

(1) Significant changes in subsidiaries during this period

(Changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) : **None**

(2) Changes in accounting policies and accounting estimates

i) Changes in accounting policies required by IFRS : **None**

ii) Changes in accounting policies other than i) : **Yes**

Convertible bonds and Reserve for share-based payments recorded by share premium that exceeded the date of exercise were transferred to retained earnings from the first quarter ended for the purpose of the proper disclosure of components of equity. These changes in accounting policies were restated and financial statements for the Third Quarter of the Year Ended March 31, 2011 and for the year ended March 31, 2011 were restated, too.

Share premiums at the beginning and end of period of the Third Quarter of the Year Ended March 31 and the Year Ended March 31, 2011 decreased 1,217 million yen and retained earnings increased 1,217 million yen. And share premiums in this period decreased 1,332 million yen and retained earnings increased 1,332 million yen.

iii) Changes in accounting estimates : **None**

(3) Number of outstanding shares (Ordinary shares) (shares)

i)	Number of outstanding shares at the end of the period (including treasury shares)	December 31, 2011	20,757,905	March 31, 2011	20,757,905
ii)	Number of treasury shares at the end of the period	December 31, 2011	1,129,010	March 31, 2011	1,128,607
iii)	Average number of shares for the period (year-to-date)	December 31, 2011	19,629,171	December 31, 2010	19,629,814

* Explanation about appropriate use of consolidated financial results forecast, other special notes

1. Forward-looking statements in this document about our future performance are based on the information we currently have and certain assumptions we consider reasonable. Due to the unforeseen circumstances, actual results may differ from such estimates.
2. This summary of the business results and the attached financial statements are unaudited and prepared in accordance with International Financial Reporting Standards (IFRS).

Financial Statements

(1) Consolidated Statements of Financial Position

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

	As of March 31, 2011	As of December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	13,236	10,533
Trade receivables	12,762	12,872
Inventories	8,962	11,348
Income taxes refundable	22	90
Derivatives	1	2
Others	2,273	2,536
Total current assets	37,259	37,383
Non-current assets:		
Property, plant and equipment	25,447	26,312
Intangible assets	1,086	1,037
Investment property	254	254
Investment securities	961	774
Deferred tax assets	1,481	1,330
Others	1,095	912
Total non-current assets	30,327	30,623
Total assets	67,586	68,006
Liabilities		
Current liabilities:		
Short-term loans	1,972	1,321
Current portion of long-term debt	4,910	5,259
Convertible bonds	247	-
Trade and other payables	9,331	11,027
Provisions for settlement for products sold	312	196
Income taxes payable	313	172
Others	636	832
Total current liabilities	17,724	18,811
Non-current liabilities:		
Long-term debt, net of current portion	20,417	19,686
Deferred tax liabilities	878	507
Employee benefits	2,906	2,954
Provisions for asset retirement obligation	57	58
Provisions for settlement for products sold	159	129
Deferred government grants	259	301
Others	530	535
Total non-current liabilities	25,210	24,173
Total liabilities	42,934	42,984
Equity		
Equity attributable to owners of the Company:		
Share capital	10,649	10,649
Share premium	8,681	8,566
Other components of equity	(3,095)	(3,820)
Retained earnings	8,416	9,626
Total equity attributable to owners of the Company	24,652	25,022
Total equity	24,652	25,022
Total liabilities and equity	67,586	68,006

(2) Consolidated Statements of Comprehensive Income

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

	For the Nine Months Ended December 31, 2010	For the Nine Months Ended December 31, 2011
Net sales	41,991	38,633
Cost of sales	32,147	29,346
Gross profit	9,843	9,287
Selling, general and administrative expenses	5,691	5,603
Research and development expenses	1,804	2,001
Other operating income	276	245
Other operating expenses	452	254
Operating income	2,171	1,674
Finance income	45	45
Finance expenses	325	388
Income before income tax	1,891	1,331
Income tax expenses / (benefits)	55	(156)
Net income for the period	1,836	1,487
Other comprehensive income		
Foreign currency translation differences for foreign operations	(1,065)	(605)
Change in fair value of available-for-sale financial assets	(272)	(162)
Change in fair value of available-for-sale financial assets transferred to profit or loss	5	18
Income tax on other comprehensive income	107	23
Other comprehensive loss for the period, net of income tax	(1,224)	(725)
Total comprehensive income for the period	612	762
Net income attributable to:		
Owners of the Company		
Net income from continuing operations	1,836	1,487
Net income attributable to owners of the Company	1,836	1,487
Net income for the period	1,836	1,487
Total comprehensive income attributable to:		
Owners of the Company	612	762
Total comprehensive income for the period	612	762
Earnings per share:		
Basic earnings per share (Yen)	93.57	75.78
Diluted earnings per share (Yen)	93.54	75.78
Earnings per share (Continuing operations) :		
Basic earnings per share (Yen)	93.57	75.78
Diluted earnings per share (Yen)	93.54	75.78

(3) Consolidated Statements of Changes in Equity

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

	Share Capital	Share premium				
		Additional paid-in capital	Treasury shares	Convertible bonds	Reserve for share-based payments	Total share premium
Balance at April 1, 2010	10,649	11,353	(2,785)	1,296	35	9,899
Changes in accounting policy	-	-	-	(1,217)	-	(1,217)
Restated balance	10,649	11,353	(2,785)	78	35	8,682
Total comprehensive income for the period						
Net income						-
Other comprehensive loss, net of income tax						
Foreign currency translation differences for foreign operations						-
Net change in fair value of available-for-sale financial assets						-
Total comprehensive income for the period	-	-	-	-	-	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net			(0)			(0)
Dividends declared						-
Total contributions by and distributions to owners	-	-	(0)	-	-	(0)
Total transactions with owners	-	-	(0)	-	-	(0)
Balance at December 31, 2010	10,649	11,353	(2,786)	78	35	8,682

	Other components of equity			Retained earnings	Attributable to owners of the Company	Total equity
	Available-for-sale financial assets	Translation differences for foreign operations	Total other components of equity			
Balance at April 1, 2010	240	(2,448)	(2,208)	5,853	24,193	24,193
Changes in accounting policy	-	-	-	1,217	-	-
Restated balance	240	(2,448)	(2,208)	7,070	24,193	24,193
Total comprehensive income for the period						
Net income			-	1,836	1,836	1,836
Other comprehensive loss, net of income tax						
Foreign currency translation differences for foreign operations		(1,065)	(1,065)		(1,065)	(1,065)
Net change in fair value of available-for-sale financial assets	(158)		(158)		(158)	(158)
Total comprehensive income for the period	(158)	(1,065)	(1,224)	1,836	612	612
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net			-		(0)	(0)
Dividends declared			-	(392)	(392)	(392)
Total contributions by and distributions to owners	-	-	-	(392)	(393)	(393)
Total transactions with owners	-	-	-	(392)	(393)	(393)
Balance at December 31, 2010	81	(3,514)	(3,432)	8,514	24,413	24,413

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

	Share Capital	Share premium				
		Additional paid-in capital	Treasury shares	Convertible bonds	Reserve for share-based payments	Total share premium
Balance at April 1, 2011	10,649	11,353	(2,786)	78	35	8,681
Total comprehensive income for the period						
Net income						-
Other comprehensive loss, net of income tax						
Foreign currency translation differences for foreign operations						-
Net change in fair value of available-for-sale financial assets						-
Total comprehensive income for the period	-	-	-	-	-	-
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net		(0)	(0)			(0)
Dividends declared						-
Redemption of convertible bonds				(78)		(78)
Share option expired					(35)	(35)
Total contributions by and distributions to owners	-	(0)	(0)	(78)	(35)	(115)
Total transactions with owners	-	(0)	(0)	(78)	(35)	(115)
Balance at December 31, 2011	10,649	11,353	(2,786)	-	-	8,566

	Other components of equity			Retained earnings	Attributable to owners of the Company	Total equity
	Available-for-sale financial assets	Translation differences for foreign operations	Total other components of equity			
Balance at April 1, 2011	88	(3,183)	(3,095)	8,416	24,652	24,652
Total comprehensive income for the period						
Net income			-	1,487	1,487	1,487
Other comprehensive loss, net of income tax						
Foreign currency translation differences for foreign operations		(605)	(605)		(605)	(605)
Net change in fair value of available-for-sale financial assets	(120)		(120)		(120)	(120)
Total comprehensive income for the period	(120)	(605)	(725)	1,487	762	762
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net			-		(0)	(0)
Dividends declared			-	(392)	(392)	(392)
Redemption of convertible bonds			-	78	-	-
Share option expired			-	35	-	-
Total contributions by and distributions to owners	-	-	-	(277)	(393)	(393)
Total transactions with owners	-	-	-	(277)	(393)	(393)
Balance at December 31, 2011	(31)	(3,789)	(3,820)	9,626	25,022	25,022

(4) Consolidated Statements of Cash Flows

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

	For the Nine Months Ended December 31, 2010	For the Nine Months Ended December 31, 2011
Operating activities:		
Income before income tax	1,891	1,331
Depreciation and amortisation	2,448	2,245
Loss on impairment of property, plant, equipment and intangible assets	18	15
Settlement for products sold	205	20
Reversal of provisions for settlement for products sold	(57)	(52)
Increase in trade receivables	(1,210)	(429)
Increase in inventories	(382)	(2,571)
Decrease in consumption tax/value-added tax receivables	137	339
Increase in trade payables	35	1,190
Interest and dividends income	(28)	(42)
Interest expense	238	255
Interest and dividends received	27	40
Interest paid	(231)	(211)
Income tax refund / (paid), net	25	(303)
Payment for settlement for products sold	(932)	(88)
Other, net	(524)	(132)
Net cash provided by operating activities	1,661	1,606
Investing activities:		
Purchase of property, plant and equipment	(1,843)	(2,411)
Purchase of intangible assets	(91)	(52)
Purchase of investments and other assets	(483)	(953)
Proceeds from sales of property, plant and equipment	21	3
Proceeds from grant of subsidies	17	125
Proceeds from sales of investments and other assets	203	701
Other, net	(0)	(1)
Net cash used in investing activities	(2,175)	(2,588)
Financing activities:		
Proceeds from issue of long-term debt	11,500	3,500
Repayment of long-term debt	(4,210)	(3,887)
Net decrease in short-term loans	(4,023)	(591)
Cash dividends paid	(329)	(330)
Payment for redemption of convertible bonds	-	(250)
Purchase and sales of treasury shares, net	(0)	(0)
Net cash provided by / (used in) financing activities	2,936	(1,559)
Net increase / (decrease) in cash and cash equivalents	2,421	(2,541)
Cash and cash equivalents at beginning of year	8,722	13,236
Net effect of currency translation on cash and cash equivalents	(309)	(161)
Cash and cash equivalents at end of period	10,834	10,533

(5) Segment Information

1. General information

The main activities of the Group are the integrated manufacture and sale of quartz crystal units, crystal devices, ultrasonic transducers and synthetic quartz crystals and there are no separate operating segments. Therefore, the Group has a single reportable segment.

2. Information about products and services

Sales by type of products are as follows:

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

	For the Nine Months Ended December 31, 2010		For the Nine Months Ended December 31, 2011		Increase / (decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)
Quartz crystal units	21,408	51.0	18,629	48.2	(2,778)	(13.0)
Crystal devices	15,674	37.3	14,898	38.6	(776)	(5.0)
Others	4,908	11.7	5,105	13.2	197	4.0
Total	41,991	100.0	38,633	100.0	(3,357)	(8.0)