[Summary]

Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2016 [IFRS]

November 5, 2015

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

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

Representative **Toshiaki Takeuchi, Representative Director & Chairman of the Board, President and CEO**

Person in charge for inquiries **Hiromi Kato, Executive Vice President and Director** Phone: **+81-3-5453-6709**

Scheduled date to submit the Quarterly Securities Report **November 12, 2015**

Scheduled commencement date of dividend payment **December 7, 2015**

Supplemental material for quarterly financial results **: Yes**

Holding of the briefing session for quarterly financial results **: Yes**

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

1. Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2016 (April 1, 2015 - September 30, 2015)

(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	
Six months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
September 30, 2015	22,748	(6.9)	4	(98.7)	54	(79.2)	26	(26.5)	26	(26.5)	(824)	-
September 30, 2014	24,426	(4.5)	366	17.3	263	32.6	36	(79.1)	36	(79.1)	936	42.4

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2015	1.36	-
September 30, 2014	1.84	-

(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 September 30, 2015	67,276	26,485	26,485	39.4
As of March 31, 2015	71,670	27,507	27,507	38.4

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
The year ended March 31, 2015	-	10.00	-	10.00	20.00
The year ending March 31, 2016	-	10.00			
The year ending March 31, 2016 (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, 2016 (April 1, 2015 - March 31, 2016)

(% 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
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
The year ending March 31, 2016	44,500	(6.8)	700	299.1	600	67.0	500	-	500	-	25.48

(Note) Revision of consolidated financial results forecast from the latest announcement : **Yes**

Notes

(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) : **None**
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)	September 30, 2015	20,757,905	March 31, 2015	20,757,905
ii) Number of treasury shares at the end of the period	September 30, 2015	1,131,487	March 31, 2015	1,131,218
iii) Average number of shares for the period (year-to-date)	September 30, 2015	19,626,569	September 30, 2014	19,627,496

* 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, 2015	As of September 30, 2015
Assets		
Current assets:		
Cash and cash equivalents	14,364	15,108
Trade receivables	11,617	11,252
Inventories	12,540	11,461
Income taxes refundable	9	4
Derivative assets	34	216
Others	3,378	1,632
Total current assets	41,945	39,675
Non-current assets:		
Property, plant and equipment	25,643	23,972
Intangible assets	1,105	1,082
Investment securities	1,132	1,053
Deferred tax assets	894	858
Others	948	634
Total non-current assets	29,724	27,600
Total assets	71,670	67,276
Liabilities		
Current liabilities:		
Loans and borrowings	10,593	11,954
Trade and other payables	8,220	6,798
Derivative liabilities	174	18
Provisions	30	27
Income taxes payable	170	171
Others	627	586
Total current liabilities	19,816	19,557
Non-current liabilities:		
Loans and borrowings	19,370	16,646
Deferred tax liabilities	522	470
Employee benefits	3,666	3,568
Provisions	136	99
Deferred government grants	236	199
Others	412	249
Total non-current liabilities	24,346	21,232
Total liabilities	44,162	40,790
Equity		
Equity attributable to owners of the Company:		
Share capital	10,649	10,649
Share premium	8,564	8,564
Other components of equity	1,260	409
Retained earnings	7,032	6,863
Total equity attributable to owners of the Company	27,507	26,485
Total equity	27,507	26,485
Total liabilities and equity	71,670	67,276

(2) Consolidated Statements of Comprehensive Income

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

	For the Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015
Net sales	24,426	22,748
Cost of sales	19,698	18,551
Gross profit	4,728	4,197
Selling, general and administrative expenses	3,818	3,534
Research and development expenses	1,028	947
Other operating income	619	447
Other operating expenses	134	157
Operating Income	366	4
Financial income	53	206
Financial expenses	156	156
Income before income tax	263	54
Income tax expenses	227	28
Net Income for the period	36	26
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	854	(749)
Change in fair value of available-for-sale financial assets	74	(16)
Change in fair value of available-for-sale financial assets transferred to profit or loss	-	(92)
Income tax relating to items that may be reclassified	(28)	6
Subtotal	899	(851)
Other comprehensive income for the period, net of income tax	899	(851)
Total comprehensive income for the period	936	(824)
Net Income attributable to:		
Owners of the Company	36	26
Total comprehensive income attributable to:		
Owners of the Company	936	(824)
		(Yen)
Earnings per share:		
Basic Earnings per share	1.84	1.36

(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	Total share premium
Balance at April 1, 2014	10,649	11,353	(2,787)	8,565
Total comprehensive income for the period				
Net Income				-
Other comprehensive income, 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				-
Total contributions by and distributions to owners	-	(0)	(0)	(0)
Total transactions with owners	-	(0)	(0)	(0)
Balance at September 30, 2014	10,649	11,353	(2,788)	8,564

	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, 2014	135	(465)	(329)	7,696	26,581	26,581
Total comprehensive income for the period						
Net income			-	36	36	36
Other comprehensive income, net of income tax						
Foreign currency translation differences for foreign operations		854	854		854	854
Net change in fair value of available-for-sale financial assets	45		45		45	45
Total comprehensive income for the period	45	854	899	36	936	936
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net			-		(0)	(0)
Dividends declared			-	(196)	(196)	(196)
Total contributions by and distributions to owners	-	-	-	(196)	(196)	(196)
Total transactions with owners	-	-	-	(196)	(196)	(196)
Balance at September 30, 2014	181	388	570	7,536	27,321	27,321

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

	Share Capital	Share premium		
		Additional paid-in capital	Treasury shares	Total share premium
Balance at April 1, 2015	10,649	11,353	(2,788)	8,564
Total comprehensive income for the period				
Net income				-
Other comprehensive income, 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 September 30, 2015	10,649	11,353	(2,789)	8,564

	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, 2015	8	1,251	1,260	7,032	27,507	27,507
Total comprehensive income for the period						
Net income			-	26	26	26
Other comprehensive income, net of income tax						
Foreign currency translation differences for foreign operations		(749)	(749)		(749)	(749)
Net change in fair value of available-for-sale financial assets	(102)		(102)		(102)	(102)
Total comprehensive income for the period	(102)	(749)	(851)	26	(824)	(824)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Changes in treasury shares, net			-		(0)	(0)
Dividends declared			-	(196)	(196)	(196)
Total contributions by and distributions to owners	-	-	-	(196)	(196)	(196)
Total transactions with owners	-	-	-	(196)	(196)	(196)
Balance at September 30, 2015	(93)	502	409	6,863	26,485	26,485

(4) Consolidated Statements of Cash Flows

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

	For the Six Months Ended September 30, 2014	For the Six Months Ended September 30, 2015
Operating activities:		
Income before income tax	263	54
Depreciation and amortisation	1,844	1,833
Gain on sales of land use right	(382)	-
Gain on sales of property, plant, and equipment	(55)	(141)
Gain on sales of investment securities	-	(61)
Insurance claim income	-	(195)
(Increase)/decrease in trade receivables	(164)	213
(Increase)/decrease in inventories	(479)	820
Decrease in consumption tax/value-added tax receivables	175	622
Increase/(decrease) in trade payables	59	(412)
Increase in derivative assets	(50)	(198)
Increase/(decrease) in derivative liabilities	379	(156)
Interest and dividend income	(41)	(49)
Interest expense	138	114
Interest and dividends received	40	50
Interest paid	(89)	(87)
Proceeds from insurance claim income	-	908
Income tax paid, net	(79)	(71)
Other, net	(468)	(334)
Net cash provided by operating activities	1,090	2,907
Investing activities:		
Purchase of property, plant and equipment	(1,152)	(943)
Purchase of intangible assets	(111)	(31)
Purchase of investments and other assets	(437)	(1,006)
Proceeds from sales of land use right	321	-
Proceeds from sales of property, plant and equipment	113	242
Proceeds from sales of investments and other assets	329	1,302
Other, net	14	3
Net cash used in investing activities	(922)	(433)
Financing activities:		
Proceeds from long-term loans and borrowings	1,000	5,500
Repayment of long-term loans and borrowings	(5,528)	(6,872)
Cash dividends paid	(195)	(179)
Purchase and sales of treasury shares, net	(0)	(0)
Net cash used in financing activities	(4,724)	(1,552)
Net (decrease)/increase in cash and cash equivalents	(4,556)	921
Cash and cash equivalents at beginning of year	17,727	14,364
Net effect of currency translation on cash and cash equivalents	285	(177)
Cash and cash equivalents at end of period	13,456	15,108

(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

Net sales by type of products is as follows:

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

	For the Six Months Ended September 30, 2014		For the Six Months Ended September 30, 2015		Increase / (decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	14,405	59.0	13,927	61.2	(477)	(3.3)
Crystal devices	7,812	32.0	6,607	29.1	(1,204)	(15.4)
Others	2,209	9.0	2,213	9.7	4	0.2
Total	24,426	100.0	22,748	100.0	(1,678)	(6.9)