



[Summary]

## Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2017 [IFRS]

August 5, 2016

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 **August 10, 2016**  
 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 First Quarter of the Year Ending March 31, 2017 (April 1, 2016 - June 30, 2016)

#### (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	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Three months ended												
June 30, 2016	10,670	(5.1)	34	-	0	-	(18)	-	(18)	-	(1,447)	-
June 30, 2015	11,244	(4.3)	(187)	-	(136)	-	(129)	-	(129)	-	23	-

  

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
June 30, 2016		(0.94)		-
June 30, 2015		(6.59)		-

#### (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 June 30, 2016	65,346	24,056	24,056	36.8
As of March 31, 2016	67,966	25,700	25,700	37.8

### 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, 2016	-	10.00	-	10.00	20.00
The year ending March 31, 2017	-				
The year ending March 31, 2017 (Forecast)		10.00	-	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, 2017 (April 1, 2016 - March 31, 2017)

(% 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 six months ending September 30, 2016	22,000	(3.3)	200	-	150	172.9	100	276.0	100	276.0	5.10
The year ending March 31, 2017	45,000	0.3	850	106.9	750	629.7	650	104.8	650	104.8	33.12

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

**Notes**

## (1) Significant changes in subsidiaries during this period

(Changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) : **Yes**

[New] - subsidiaries (Name: ), [Excluded] 1 subsidiaries (Name: NDK CRYSTAL, INC.)

(Note) Absorption-type merger was executed during the first quarter of the year ending March 31, 2017, in which NDK HOLDING USA, INC. was the surviving company and NDK CRYSTAL, INC. was the extinguished company.

## (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)

June 30, 2016	20,757,905	March 31, 2016	20,757,905
June 30, 2016	1,131,823	March 31, 2016	1,131,823
June 30, 2016	19,626,082	June 30, 2015	19,626,643

ii) Number of treasury shares at the end of the period

iii) Average number of shares for the period (year-to-date)

\* 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, 2016	As of June 30, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	17,161	16,268
Trade receivables	10,390	10,315
Inventories	10,621	10,355
Income taxes refundable	5	7
Derivative assets	373	562
Others	2,334	1,476
Total current assets	40,886	38,984
Non-current assets:		
Property, plant and equipment	23,504	22,998
Intangible assets	1,041	1,017
Investment securities	839	748
Deferred tax assets	1,101	1,026
Others	594	571
Total non-current assets	27,080	26,362
Total assets	67,966	65,346
<b>Liabilities</b>		
Current liabilities:		
Loans and borrowings	17,254	15,273
Trade and other payables	7,373	7,766
Derivative liabilities	83	129
Provisions	32	-
Income taxes payable	165	94
Others	570	822
Total current liabilities	25,478	24,087
Non-current liabilities:		
Loans and borrowings	12,008	12,495
Deferred tax liabilities	430	424
Employee benefits	3,827	3,811
Provisions	91	51
Deferred government grants	180	170
Others	249	249
Total non-current liabilities	16,788	17,203
Total liabilities	42,266	41,290
<b>Equity</b>		
Equity attributable to owners of the Company:		
Share capital	10,649	10,649
Share premium	8,563	8,563
Other components of equity	(174)	(1,603)
Retained earnings	6,660	6,446
Total equity attributable to owners of the Company	25,700	24,056
Total equity	25,700	24,056
Total liabilities and equity	67,966	65,346

## (2) Consolidated Statements of Comprehensive Income

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

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016
Net sales	11,244	10,670
Cost of sales	9,456	8,650
Gross profit	1,787	2,019
Selling, general and administrative expenses	1,812	1,608
Research and development expenses	471	488
Other operating income	397	139
Other operating expenses	88	28
Operating (loss)/income	(187)	34
Financial income	115	46
Financial expenses	64	80
(Loss)/income before income tax	(136)	0
Income tax (benefits)/expenses	(6)	18
Net loss for the period	(129)	(18)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	150	(1,341)
Change in fair value of available-for-sale financial assets	66	(93)
Change in fair value of available-for-sale financial assets transferred to profit or loss	(65)	4
Income tax relating to items that may be reclassified	0	1
Subtotal	152	(1,428)
Other comprehensive income/(loss) for the period, net of income tax	152	(1,428)
Total comprehensive income/(loss) for the period	23	(1,447)
Net income attributable to:		
Owners of the Company	(129)	(18)
Total comprehensive income attributable to:		
Owners of the Company	23	(1,447)
(Yen)		
Earnings per share:		
Basic loss per share	(6.59)	(0.94)

## (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, 2015	10,649	11,353	(2,788)	8,564
Total comprehensive income for the period				
Net loss				-
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 June 30, 2015	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, 2015	8	1,251	1,260	7,032	27,507	27,507
Total comprehensive income for the period						
Net loss			-	(129)	(129)	(129)
Other comprehensive income, net of income tax						
Foreign currency translation differences for foreign operations		150	150		150	150
Net change in fair value of available-for-sale financial assets	2		2		2	2
Total comprehensive income for the period	2	150	152	(129)	23	23
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 June 30, 2015	10	1,402	1,413	6,707	27,334	27,334

(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, 2016	10,649	11,353	(2,789)	8,563
Total comprehensive income for the period				
Net loss				-
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 loss for the period	-	-	-	-
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners				
Dividends declared				-
Total contributions by and distributions to owners	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at June 30, 2016	10,649	11,353	(2,789)	8,563

	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, 2016	(10)	(164)	(174)	6,660	25,700	25,700
Total comprehensive income for the period						
Net loss			-	(18)	(18)	(18)
Other comprehensive loss, net of income tax						
Foreign currency translation differences for foreign operations		(1,341)	(1,341)		(1,341)	(1,341)
Net change in fair value of available-for-sale financial assets	(87)		(87)		(87)	(87)
Total comprehensive loss for the period	(87)	(1,341)	(1,428)	(18)	(1,447)	(1,447)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends declared			-	(196)	(196)	(196)
Total contributions by and distributions to owners	-	-	-	(196)	(196)	(196)
Total transactions with owners	-	-	-	(196)	(196)	(196)
Balance at June 30, 2016	(97)	(1,505)	(1,603)	6,446	24,056	24,056

## (4) Consolidated Statements of Cash Flows

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

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2016
Operating activities:		
(Loss)/income before income tax	(136)	0
Depreciation and amortisation	942	842
Gain on sales of property, plant, and equipment	(141)	-
Gain on sales of investment securities	(61)	-
Insurance claim income	(195)	-
Decrease/(increase) in trade receivables	403	(391)
Decrease/(increase) in inventories	483	(133)
Decrease in consumption tax/value-added tax receivables	977	936
(Decrease)/increase in trade payables	(177)	190
Interest and dividend income	(33)	(24)
Interest expense	58	51
Interest and dividends received	33	25
Interest paid	(43)	(39)
Proceeds from insurance claim income	907	-
Income tax paid, net	(42)	(92)
Other, net	(460)	460
Net cash provided by operating activities	2,513	1,824
Investing activities:		
Purchase of property, plant and equipment	(631)	(499)
Purchase of intangible assets	(17)	(12)
Purchase of investments and other assets	(827)	(167)
Proceeds from sales of property, plant and equipment	242	-
Proceeds from sales of investments and other assets	989	119
Other, net	(1)	(0)
Net cash used in investing activities	(245)	(560)
Financing activities:		
Proceeds from long-term loans and borrowings	2,000	3,000
Repayment of long-term loans and borrowings	(3,148)	(4,934)
Net increase in short-term loans and borrowings	-	500
Cash dividends paid	(132)	(137)
Purchase and sales of treasury shares, net	(0)	-
Net cash used in financing activities	(1,281)	(1,572)
Net increase/(decrease) in cash and cash equivalents	986	(309)
Cash and cash equivalents at beginning of year	14,364	17,161
Net effect of currency translation on cash and cash equivalents	82	(584)
Cash and cash equivalents at end of period	15,434	16,268

(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 Three Months Ended June 30, 2015		For the Three Months Ended June 30, 2016		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	7,143	63.5	5,895	55.2	(1,248)	(17.5)
Crystal devices	3,056	27.2	3,925	36.8	869	28.4
Others	1,044	9.3	849	8.0	(194)	(18.6)
Total	11,244	100.0	10,670	100.0	(574)	(5.1)