



[Summary]

Consolidated Financial Results for the Year Ended March 31, 2017 [IFRS]

May 12, 2017

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 of the shareholder meeting **June 23, 2017**
 Scheduled date to submit the Securities Report **June 23, 2017**
 Scheduled commencement date of dividend payment **June 26, 2017**
 Supplemental material for financial results **: Yes**
 Holding of the briefing session for financial results **: Yes**

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

1. Consolidated Financial Results for the Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(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	%
The year ended												
March 31, 2017	43,791	(2.4)	727	77.1	472	359.8	611	92.6	611	92.6	(72)	-
March 31, 2016	44,850	(6.0)	410	134.3	102	(71.4)	317	-	317	-	(1,414)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
The year ended				
March 31, 2017	31.16		-	
March 31, 2016	16.17		-	

(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 March 31, 2017	68,830		25,234		25,234		36.7	
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				
The year ended					
March 31, 2016	-	10.00	-	10.00	20.00
The year ended					
March 31, 2017	-	10.00	-	10.00	20.00
The year ending					
March 31, 2018 (Forecast)	-	10.00	-	10.00	20.00

3. Consolidated Financial Results Forecast for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018)

(% 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	%	
The six months ending											
September 30, 2017	24,200	11.9	300	30.9	250	120.5	200	174.7	200	174.7	10.19
The year ending											
March 31, 2018	50,000	14.2	1,500	106.1	1,400	196.2	1,100	79.9	1,100	79.9	56.05

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)	March 31, 2017	20,757,905	March 31, 2016	20,757,905
ii) Number of treasury shares at the end of the period	March 31, 2017	1,132,282	March 31, 2016	1,131,823
iii) Average number of shares for the period (year-to-date)	March 31, 2017	19,625,867	March 31, 2016	19,626,397

* 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 March 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	17,161	13,350
Trade receivables	10,390	10,500
Inventories	10,621	12,188
Income taxes refundable	5	55
Derivative assets	373	0
Others	2,334	2,719
Total current assets	40,886	38,814
Non-current assets:		
Property, plant and equipment	23,504	26,165
Intangible assets	1,041	988
Investment securities	839	978
Deferred tax assets	1,101	1,303
Others	594	580
Total non-current assets	27,080	30,016
Total assets	67,966	68,830
Liabilities		
Current liabilities:		
Loans and borrowings	17,254	15,183
Trade and other payables	7,373	9,471
Derivative liabilities	83	212
Provisions	32	-
Income taxes payable	165	233
Others	570	1,285
Total current liabilities	25,478	26,386
Non-current liabilities:		
Loans and borrowings	12,008	12,756
Deferred tax liabilities	430	403
Employee benefits	3,827	3,624
Provisions	91	52
Deferred government grants	180	124
Others	249	249
Total non-current liabilities	16,788	17,209
Total liabilities	42,266	43,596
Equity		
Equity attributable to owners of the Company:		
Share capital	10,649	10,649
Share premium	8,563	8,563
Other components of equity	(174)	(1,025)
Retained earnings	6,660	7,046
Total equity attributable to owners of the Company	25,700	25,234
Total equity	25,700	25,234
Total liabilities and equity	67,966	68,830

(2) Consolidated Statements of Comprehensive Income

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

	For the year Ended March 31, 2016	For the year Ended March 31, 2017
Net sales	44,850	43,791
Cost of sales	36,137	34,620
Gross profit	8,713	9,171
Selling, general and administrative expenses	6,718	6,479
Research and development expenses	1,921	2,035
Other operating income	571	443
Other operating expenses	234	371
Operating income	410	727
Financial income	331	216
Financial expenses	639	471
Income before income tax	102	472
Income tax benefits	(214)	(138)
Net income for the period	317	611
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	(296)	166
Subtotal	(296)	166
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	(1,416)	(815)
Foreign currency translation differences for foreign operations transferred to profit or loss	-	3
Change in fair value of available-for-sale financial assets	(238)	68
Change in fair value of available-for-sale financial assets transferred to profit or loss	210	(107)
Income tax relating to items that may be reclassified	8	(1)
Subtotal	(1,434)	(851)
Other comprehensive loss for the period, net of income tax	(1,731)	(684)
Total comprehensive loss for the period	(1,414)	(72)
Net income attributable to:		
Owners of the Company	317	611
Total comprehensive Income attributable to:		
Owners of the Company	(1,414)	(72)
Earnings per share:		
Basic Earnings per share (Yen)	16.17	31.16

(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 income				-
Other comprehensive loss, net of income tax				-
Remeasurement of defined benefit plan				-
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				
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 March 31, 2016	10,649	11,353	(2,789)	8,563
Total comprehensive income for the period				
Net income				-
Other comprehensive loss, net of income tax				-
Remeasurement of defined benefit plan				-
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				
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 March 31, 2017	10,649	11,353	(2,789)	8,563

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

	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			-	317	317	317
Other comprehensive loss, net of income tax						
Remeasurement of defined benefit plan			-	(296)	(296)	(296)
Foreign currency translation differences for foreign operations		(1,416)	(1,416)		(1,416)	(1,416)
Net change in fair value of available-for-sale financial assets	(18)		(18)		(18)	(18)
Total comprehensive loss for the period	(18)	(1,416)	(1,434)	20	(1,414)	(1,414)
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 March 31, 2016	(10)	(164)	(174)	6,660	25,700	25,700
Total comprehensive income for the period						
Net income			-	611	611	611
Other comprehensive loss, net of income tax						
Remeasurement of defined benefit plan			-	166	166	166
Foreign currency translation differences for foreign operations		(811)	(811)		(811)	(811)
Net change in fair value of available-for-sale financial assets	(39)		(39)		(39)	(39)
Total comprehensive loss for the period	(39)	(811)	(851)	778	(72)	(72)
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)	(392)	(392)
Total transactions with owners	-	-	-	(392)	(392)	(392)
Balance at March 31, 2017	(49)	(975)	(1,025)	7,046	25,234	25,234

(4) Consolidated Statements of Cash Flows

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

	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017
Operating activities:		
Income before income tax	102	472
Depreciation and amortisation	3,558	3,641
Gain on sales of property, plant, and equipment	(156)	(9)
Loss on disposal of property, plant and equipment	5	68
Impairment losses of property, plant and equipment	20	8
Gain on sales of investment securities	(102)	(111)
Impairment losses of investment securities	342	4
Gain on receipt of subsidies	(119)	(86)
Insurance claim income	(195)	(70)
Decrease/(increase) in trade receivables	853	(255)
Decrease/(increase) in inventories	1,487	(1,754)
(Decrease)/increase in trade payables	(422)	706
(Decrease)/increase in accrued bonus	(347)	318
(Increase)/decrease in derivative assets	(340)	372
(Decrease)/increase in derivative liabilities	(89)	134
Decrease in provisions	(13)	(72)
Interest and dividend income	(83)	(70)
Interest expense	224	183
Interest and dividends received	84	73
Interest paid	(173)	(149)
Proceeds from insurance claim income	898	70
Income tax paid, net	(156)	(174)
Other, net	288	591
Net cash provided by operating activities	5,667	3,891
Investing activities:		
Purchase of property, plant and equipment	(1,709)	(5,785)
Purchase of intangible assets	(44)	(61)
Purchase of investments and other assets	(1,676)	(1,149)
Proceeds from sales of property, plant and equipment	240	54
Proceeds from sales of investments and other assets	1,978	1,252
Other, net	6	2
Net cash used in investing activities	(1,204)	(5,686)
Financing activities:		
Proceeds from long-term loans and borrowings	9,000	10,500
Repayment of long-term loans and borrowings	(10,586)	(16,873)
Net increase in short-term loans and borrowings	879	5,000
Cash dividends paid	(395)	(391)
Purchase and sales of treasury shares, net	(0)	(0)
Net cash used in financing activities	(1,101)	(1,765)
Net increase/(decrease) in cash and cash equivalents	3,361	(3,560)
Cash and cash equivalents at beginning of year	14,364	17,161
Net effect of currency translation on cash and cash equivalents	(564)	(251)
Cash and cash equivalents at end of period	17,161	13,350

(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 Year Ended March 31, 2016		For the Year Ended March 31, 2017		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	26,795	59.7	24,780	56.6	(2,015)	(7.5)
Crystal devices	13,630	30.4	15,070	34.4	1,439	10.6
Others	4,424	9.9	3,941	9.0	(482)	(10.9)
Total	44,850	100.0	43,791	100.0	(1,058)	(2.4)