



[Summary]

Consolidated Financial Results for the Year Ended March 31, 2021 [IFRS]

May 14, 2021

Company Name **Nihon Dempa Kogyo Co., Ltd.** Stock Exchange Listing: **Tokyo Stock Exchange, 1st Section**
 Code **6779** URL <https://www.ndk.com/>
 Representative **Hiromi Katoh, Representative Director and President**
 Contact person **Michio Aoyama, Corporate Officer and General Manager of Administration Division** Phone: **+81-3-5453-6709**
 Scheduled date of the shareholder meeting **June 25, 2021**
 Scheduled date to submit the Securities Report **June 25, 2021**
 Scheduled commencement date of dividend payment -
 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, 2021 (April 1, 2020 - March 31, 2021)

(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, 2021	39,195	(0.7)	2,844	-	2,592	-	1,976	-	1,976	-	3,270	-
March 31, 2020	39,468	(7.1)	(8,286)	-	(8,644)	-	(8,709)	-	(8,709)	-	(9,376)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
The year ended				
March 31, 2021	100.70		61.27	
March 31, 2020	(443.79)		-	

(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, 2021	63,054		13,552		13,552		21.5	
As of March 31, 2020	54,547		5,349		5,349		9.8	

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, 2020	-	0.00	-	0.00	0.00
The year ended					
March 31, 2021	-	0.00	-	0.00	0.00
The year ending					
March 31, 2022 (Forecast)	-	0.00	-	Undetermined	Undetermined

3. Consolidated Financial Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% 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, 2021	21,100	20.1	1,800	-	1,500	-	1,400	-	1,400	-	71.34
The year ending											
March 31, 2022	42,500	8.4	2,900	2.0	2,300	(11.3)	2,100	6.3	2,100	6.3	107.01

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	March 31, 2021	20,757,905	March 31, 2020	20,757,905
ii) Number of treasury shares at the end of the period	March 31, 2021	1,133,755	March 31, 2020	1,133,568
iii) Average number of shares for the period (year-to-date)	March 31, 2021	19,624,283	March 31, 2020	19,624,598

* This summary of the business results and the attached financial statements are unaudited.

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

Forward-looking statements in this document about our future performance are based on the information that are available to us at the time of disclosure and certain assumptions that are deemed to be reasonable. Due to unforeseen circumstances, actual results may differ significantly from such estimates.

Financial Statements

(1) Consolidated Statements of Financial Position

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

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	10,060	16,707
Trade receivables	9,906	10,924
Inventories	12,936	10,134
Income taxes refundable	6	788
Derivative assets	49	-
Others	2,520	2,961
Total current assets	35,479	41,515
Non-current assets:		
Property, plant and equipment	17,266	16,440
Intangible assets	228	176
Investments accounted for using the equity method	-	2,844
Other financial assets	803	1,024
Deferred tax assets	529	498
Others	240	553
Total non-current assets	19,067	21,538
Total assets	54,547	63,054
Liabilities		
Current liabilities:		
Loans and borrowings	24,560	2,101
Lease liabilities	479	466
Trade and other payables	7,520	7,334
Derivative liabilities	33	331
Provisions	2,003	321
Income taxes payable	145	609
Others	1,800	1,870
Total current liabilities	36,542	13,035
Non-current liabilities:		
Loans and borrowings	7,987	31,630
Lease liabilities	1,297	1,525
Deferred tax liabilities	348	492
Employee benefits	2,661	2,411
Provisions	106	157
Deferred government grants	22	9
Others	230	239
Total non-current liabilities	12,655	36,466
Total liabilities	49,198	49,501
Equity		
Equity attributable to owners of the Company		
Share capital	10,649	5,596
Share premium	3,068	5,515
Other components of equity	(1,716)	(773)
Retained earnings	(6,652)	3,213
Total equity attributable to owners of the Company	5,349	13,552
Total equity	5,349	13,552
Total liabilities and equity	54,547	63,054

(2) Consolidated Statements of Comprehensive Income

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

	Year Ended March 31, 2020	Year Ended March 31, 2021
Net sales	39,468	39,195
Cost of sales	35,696	32,616
Gross profit	3,771	6,579
Selling, general and administrative expenses	5,922	5,495
Research and development expenses	1,684	1,613
Other operating income	423	4,772
Other operating expenses	4,875	1,398
Operating (loss)/income	(8,286)	2,844
Financial income	210	346
Financial expenses	568	552
Share of loss of investments accounted for using the equity method	-	(46)
(Loss)/income before income tax	(8,644)	2,592
Income tax expenses	64	615
Net (loss)/income for the period	(8,709)	1,976
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	176	459
Financial assets measured at fair value through other comprehensive income	(64)	96
Income tax relating to items that will not be reclassified	(5)	(116)
Subtotal	106	439
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(683)	914
Cash flow hedges	28	7
Income tax relating to items that may be reclassified	(117)	(66)
Subtotal	(773)	854
Other comprehensive (loss)/income for the period, net of income tax	(666)	1,294
Total comprehensive (loss)/income for the period	(9,376)	3,270
Net (loss)/income attributable to:		
Owners of the Company	(8,709)	1,976
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(9,376)	3,270
Earnings per share:		
Basic (loss)/earnings per share	(443.79)	100.70
Diluted earnings per share	-	61.27

(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, 2019	10,649	5,859	(2,790)	3,069
Total comprehensive income for the period				
Net loss				-
Other comprehensive income				
Remeasurement of defined benefit plan				-
Net changes in financial assets measured at fair value through other comprehensive income				-
Exchange differences on translation of foreign operations				-
Cash flow hedges				-
Total comprehensive loss for the period	-	-	-	-
Transactions with owners, recorded directly in equity				
Changes in treasury shares, net			(0)	(0)
Total transactions with owners	-	-	(0)	(0)
Balance at March 31, 2020	10,649	5,859	(2,790)	3,068
Total comprehensive income for the period				
Net income				-
Other comprehensive income				
Remeasurement of defined benefit plan				-
Net change in financial assets measured at fair value through other comprehensive income				-
Exchange differences on translation of foreign operations				-
Cash flow hedges				-
Total comprehensive income for the period	-	-	-	-
Transactions with owners, recorded directly in equity				
Issuance of shares	2,500	2,500		2,500
Share issuance costs		(67)		(67)
Transfer from share capital to share premium	(7,553)	7,553		7,553
Transfer from share premium to retained earnings		(7,538)		(7,538)
Changes in treasury shares, net			(0)	(0)
Total transactions with owners	(5,053)	2,446	(0)	2,446
Balance at March 31, 2021	5,596	8,305	(2,790)	5,515

(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
	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Cash flow hedges	Total other components of equity			
Balance at April 1, 2019	(58)	(761)	(53)	(873)	1,880	14,725	14,725
Total comprehensive income for the period							
Net loss				-	(8,709)	(8,709)	(8,709)
Other comprehensive income							
Remeasurement of defined benefit plan				-	176	176	176
Net changes in financial assets measured at fair value through other comprehensive income	(69)			(69)		(69)	(69)
Exchange differences on translation of foreign operations		(801)		(801)		(801)	(801)
Cash flow hedges			28	28		28	28
Total comprehensive loss for the period	(69)	(801)	28	(843)	(8,532)	(9,376)	(9,376)
Transactions with owners, recorded directly in equity							
Changes in treasury shares, net				-		(0)	(0)
Total transactions with owners	-	-	-	-	-	(0)	(0)
Balance at March 31, 2020	(128)	(1,563)	(25)	(1,716)	(6,652)	5,349	5,349
Total comprehensive income for the period							
Net income				-	1,976	1,976	1,976
Other comprehensive income							
Remeasurement of defined benefit plan				-	350	350	350
Net change in financial assets measured at fair value through other comprehensive income	88			88		88	88
Exchange differences on translation of foreign operations		847		847		847	847
Cash flow hedges			7	7		7	7
Total comprehensive income for the period	88	847	7	943	2,327	3,270	3,270
Transactions with owners, recorded directly in equity							
Issuance of shares				-		5,000	5,000
Share issuance costs				-		(67)	(67)
Transfer from share capital to share premium				-		-	-
Transfer from share premium to retained earnings				-	7,538	-	-
Changes in treasury shares, net				-		(0)	(0)
Total transactions with owners	-	-	-	-	7,538	4,932	4,932
Balance at March 31, 2021	(39)	(715)	(18)	(773)	3,213	13,552	13,552

(4) Consolidated Statements of Cash Flows

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

	Year Ended March 31, 2020	Year Ended March 31, 2021
Operating activities:		
(Loss)/ income before income tax	(8,644)	2,592
Depreciation and amortisation	3,697	3,104
Gain on sales of property, plant and equipment	(1)	(4)
Impairment losses of property, plant and equipment	3,932	328
Share of loss of investments accounted for using the equity method	-	46
Gain on sales of other financial assets	(94)	-
Impairment losses of other financial assets	45	-
Gain on receipt of subsidies	(31)	(13)
Gain on sales of shares of subsidiary	-	(2,665)
Gain from remeasurement relating to application of the equity method	-	(1,740)
Decrease/(increase) in trade receivables	564	(802)
Decrease in inventories	1,224	2,945
Decrease/(increase) in accounts receivable - other	29	(245)
Increase in consumption tax/value-added tax receivables	(191)	(102)
(Decrease)/increase in trade payables	(1,138)	263
Increase/(decrease) in accrued expenses	415	(895)
(Decrease)/increase in accrued bonus	(61)	155
(Increase)/decrease in derivative assets	(41)	49
(Decrease)/increase in derivative liabilities	(49)	307
Increase/(decrease) in provisions	1,649	(1,837)
Interest and dividend income	(82)	(86)
Interest expense	311	521
Interest and dividends received	74	86
Interest paid	(303)	(387)
Income tax paid, net	(65)	(903)
Other, net	(293)	(592)
Net cash provided by operating activities	948	124
Investing activities:		
Purchase of property, plant and equipment	(2,143)	(2,256)
Purchase of intangible assets	(43)	(19)
Purchase of other financial assets	(8)	(8)
Proceeds from sales of land use right	2,685	-
Proceeds from sales of property, plant and equipment	121	10
Proceeds from sales of shares of subsidiary resulting in change in scope of consolidation	-	3,293
Purchase of investments accounted for using the equity method	-	(710)
Proceeds from sales of other financial assets	591	3
Other, net	0	(1)
Net cash provided by investing activities	1,204	313
Financing activities:		
Proceeds from issuance of shares	-	4,932
Repayment of long-term loans and borrowings	(9,836)	-
Net increase in short-term loans and borrowings	10,348	1,059
Repayments of lease liabilities	(532)	(571)
Cash dividends paid	(1)	(0)
Purchase and sales of treasury shares, net	(0)	(0)
Net cash (used in)/provided by financing activities	(23)	5,420
Net increase in cash and cash equivalents	2,129	5,857
Cash and cash equivalents at beginning of year	8,231	10,060
Net effect of currency translation on cash and cash equivalents	(299)	788
Cash and cash equivalents at end of period	10,060	16,707

(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 are as follows:

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

	Year Ended March 31, 2020		Year Ended March 31, 2021		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	24,499	62.1	25,476	65.0	977	4.0
Crystal devices	11,147	28.2	10,322	26.3	(824)	(7.4)
Others	3,821	9.7	3,396	8.7	(425)	(11.1)
Total	39,468	100.0	39,195	100.0	(272)	(0.7)