



[Summary]

Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2022 [IFRS]

August 6, 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 **Yuzuru Takeuchi, Corporate Officer and General Manager of Administration Division** Phone: **+81-3-5453-6711**
 Scheduled date to submit the Quarterly Securities Report **August 6, 2021**
 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, 2022 (April 1, 2021 - June 30, 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	%
Three months ended												
June 30, 2021	10,809	43.5	619	-	533	-	467	-	467	-	760	-
June 30, 2020	7,534	(18.8)	(715)	-	(820)	-	(849)	-	(849)	-	(874)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
June 30, 2021		23.83		12.02
June 30, 2020		(43.29)		-

(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, 2021		62,436		14,312		14,312		22.9
As of March 31, 2021		63,054		13,552		13,552		21.5

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

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

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	%	
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

(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) : **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)	June 30, 2021	20,757,905	March 31, 2021	20,757,905
ii) Number of treasury shares at the end of the period	June 30, 2021	1,133,755	March 31, 2021	1,133,755
iii) Average number of shares for the period (year-to-date)	June 30, 2021	19,624,150	June 30, 2020	19,624,337

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

* Explanation about appropriate use of consolidated financial results 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, 2021	As of June 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	16,707	16,564
Trade receivables	10,924	11,642
Inventories	10,134	10,307
Income taxes refundable	788	790
Others	2,961	1,892
Total current assets	41,515	41,197
Non-current assets:		
Property, plant and equipment	16,440	16,142
Intangible assets	176	163
Investments accounted for using the equity method	2,844	2,819
Other financial assets	1,024	1,025
Deferred tax assets	498	523
Others	553	563
Total non-current assets	21,538	21,238
Total assets	63,054	62,436
Liabilities		
Current liabilities:		
Loans and borrowings	2,101	4,598
Lease liabilities	466	417
Trade and other payables	7,334	7,483
Derivative liabilities	331	86
Provisions	321	375
Income taxes payable	609	239
Others	1,870	2,061
Total current liabilities	13,035	15,262
Non-current liabilities:		
Loans and borrowings	31,630	28,344
Lease liabilities	1,525	1,398
Deferred tax liabilities	492	315
Employee benefits	2,411	2,398
Provisions	157	156
Deferred government grants	9	8
Others	239	239
Total non-current liabilities	36,466	32,861
Total liabilities	49,501	48,123
Equity		
Equity attributable to owners of the Company:		
Share capital	5,596	5,596
Share premium	5,515	5,515
Other components of equity	(773)	(480)
Retained earnings	3,213	3,681
Total equity attributable to owners of the Company	13,552	14,312
Total equity	13,552	14,312
Total liabilities and equity	63,054	62,436

(2) Consolidated Statements of Comprehensive Income

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2021
Net sales	7,534	10,809
Cost of sales	6,451	8,133
Gross profit	1,083	2,675
Selling, general and administrative expenses	1,269	1,583
Research and development expenses	402	344
Other operating income	50	75
Other operating expenses	177	203
Operating (loss)/income	(715)	619
Financial income	35	75
Financial expenses	139	136
Share of loss of investments accounted for using the equity method	—	(25)
(Loss)/income before income tax	(820)	533
Income tax expenses	28	65
Net (loss)/income for the period	(849)	467
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	17	(3)
Income tax relating to items that will not be reclassified	0	(0)
Subtotal	17	(3)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(47)	136
Cash flow hedges	1	1
Income tax relating to items that may be reclassified	3	157
Subtotal	(42)	296
Other comprehensive (loss)/income for the period, net of income tax	(24)	292
Total comprehensive (loss)/income for the period	(874)	760
Net (loss)/income attributable to:		
Owners of the Company	(849)	467
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(874)	760
		(Yen)
Earnings per share:		
Basic (loss)/earnings per share	(43.29)	23.83
Diluted earnings per share	—	12.02

(3) Consolidated Statements of Changes in Equity

Three months ended June 30, 2020

(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, 2020	10,649	5,859	(2,790)	3,068
Total comprehensive income for the period				
Net loss				-
Other comprehensive income				
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 loss for the period	-	-	-	-
Balance at June 30, 2020	10,649	5,859	(2,790)	3,068

	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, 2020	(128)	(1,563)	(25)	(1,716)	(6,652)	5,349	5,349
Total comprehensive income for the period							
Net loss				-	(849)	(849)	(849)
Other comprehensive income							
Net change in financial assets measured at fair value through other comprehensive income	17			17		17	17
Exchange differences on translation of foreign operations		(44)		(44)		(44)	(44)
Cash flow hedges			1	1		1	1
Total comprehensive loss for the period	17	(44)	1	(24)	(849)	(874)	(874)
Balance at June 30, 2020	(110)	(1,607)	(23)	(1,741)	(7,501)	4,475	4,475

Three months ended June, 30 2021

(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, 2021	5,596	8,305	(2,790)	5,515
Total comprehensive income for the period				
Net income				-
Other comprehensive income				
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	-	-	-	-
Balance at June 30, 2021	5,596	8,305	(2,790)	5,515

	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, 2021	(39)	(715)	(18)	(773)	3,213	13,552	13,552
Total comprehensive income for the period							
Net income				-	467	467	467
Other comprehensive income							
Net change in financial assets measured at fair value through other comprehensive income	(3)			(3)		(3)	(3)
Exchange differences on translation of foreign operations		294		294		294	294
Cash flow hedges			1	1		1	1
Total comprehensive income for the period	(3)	294	1	292	467	760	760
Balance at June 30, 2021	(42)	(421)	(16)	(480)	3,681	14,312	14,312

(4) Consolidated Statements of Cash Flows

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

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2021
Operating activities:		
(Loss)/income before income tax	(820)	533
Depreciation and amortisation	789	731
Share of loss of entities accounted for using equity method	-	25
Decrease/(increase) in trade receivables	999	(702)
Increase in inventories	(796)	(152)
Decrease in consumption tax/value-added tax receivables	1,145	1,063
Decrease in trade payables	(288)	(174)
Decrease in accrued bonus	(99)	(100)
(Decrease)/increase in provisions	(1,856)	4
Interest and dividend income	(20)	(47)
Interest expense	114	132
Interest and dividends received	20	47
Interest paid	(120)	(178)
Income tax refunded/(paid), net	33	(479)
Other, net	(509)	170
Net cash (used in)/provided by operating activities	(1,408)	871
Investing activities:		
Purchase of property, plant and equipment	(685)	(295)
Purchase of intangible assets	(1)	(1)
Proceeds from sales of property, plant and equipment	10	0
Proceeds from sales of other financial assets	1	2
Other, net	(5)	(9)
Net cash used in investing activities	(680)	(303)
Financing activities:		
Repayment of long-term loans and borrowings	(375)	(737)
Net increase in short-term loans and borrowings	1,434	-
Repayments of lease liabilities	(145)	(102)
Cash dividends paid	(0)	-
Net cash provided by/(used in) by financing activities	913	(840)
Net decrease in cash and cash equivalents	(1,175)	(273)
Cash and cash equivalents at beginning of year	10,060	16,707
Net effect of currency translation on cash and cash equivalents	(47)	130
Decrease in cash and cash equivalents resulting from transfer to assets held for sale	(1)	-
Cash and cash equivalents at end of period	8,837	16,564

(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)

	Three Months Ended June 30, 2020		Three Months Ended June 30, 2021		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	4,673	62.0	7,262	67.2	2,589	55.4
Crystal devices	2,178	28.9	2,705	25.0	526	24.2
Others	682	9.1	841	7.8	158	23.2
Total	7,534	100.0	10,809	100.0	3,274	43.5