



September 22, 2022

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## Notice Concerning Revisions to Financial Forecasts for the Fiscal Year Ending March 31, 2023

Nihon Dempa Kogyo Co., Ltd. ("the Company", or "we") hereby announces that in light of the most recent operating trends, the Company has revised the financial forecasts for the first half and full year of the fiscal year ending March 31, 2023, which were announced on May 13, 2022.

1. Revision to consolidated financial forecasts for the first half of the fiscal year ending March 31, 2023 (April 1, 2022 through September 30, 2022)

	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
Previously announced forecast (A)	24,200	2,300	2,100	1,800	1,800	91.72
Revised forecast (B)	26,200	4,000	4,000	3,200	3,200	139.84
Change (B – A)	2,000	1,700	1,900	1,400	1,400	
Change (%)	8.3%	73.9%	90.5%	77.8%	77.8%	
(Reference) Actual results for the six months ended Sept. 30, 2021	22,267	2,839	2,601	2,430	2,430	123.86

[Reason for revision]

The consolidated net sales are expected to exceed significantly the initial forecast made at the beginning of the fiscal year owing to the outlook for a weaker yen than anticipated, in addition to higher-than-expected sales growth mainly for automotive applications.

Regarding profit and loss, besides the sales increase mentioned above, the Company plans to record insurance claim income of approximately ¥400 million in other operating income. This income is associated with the insurance payment received in August 2022 for the damage to our Malaysian factories flooded by heavy rains in December 2021.

Consequently, the operating income, income before income taxes, and net income attributable to the owners of the parent are all expected to exceed the initial forecast. The assumed exchange rate at the beginning of the fiscal year was 115 yen to the dollar, whereas the average exchange rate for the year's first half is expected to exceed 132 yen to the dollar.

2. Revision to full-year consolidated financial forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

	Net sales	Operating income	Income before income tax	Net income	Net income attributable to owners of the parent	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously announced forecast (A)	50,000	5,000	4,600	4,000	4,000	203.83
Revised forecast (B)	54,000	8,000	7,500	6,100	6,100	265.15
Change (B – A)	4,000	3,000	2,900	2,100	2,100	
Change (%)	8.0%	60.0%	63.0%	52.5%	52.5%	
(Reference) Actual results for the year ended March 31, 2022	45,408	5,180	4,920	5,455	5,455	278.01

[Reason for revision]

In the second half of the fiscal year, higher sales are expected mainly for automotive and mobile communications applications. The full-year sales are expected to exceed the initial forecast, reflecting the projected sales increase and based on the assumption that the yen will remain weak (taking 135 yen to the dollar for the second half).

On the expense side, we expect to incur more expenses than planned to renovate the core business system for DX (Digital Transformation). Due to the revenue increase effect, however, the full-year operating income, income before income taxes, and income attributable to the owners of the parent are all expected to exceed the initial forecasts. We estimate a full-year income increase attributable to yen depreciation as about ¥1,200 million. Even excluding the foreign exchange factors and the ¥400 million insurance claim income, the profits are projected to increase year on year.

(Note)

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.

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