

April 28, 2023

NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces Revisions to its Forecast for Financial Results and Dividend (Dividend Increase)

Based on recent performance trends, Nihon Kohden announces today a revision of its consolidated financial forecast for the fiscal year ended March 31, 2023 from those announced on February 2, 2023. Nihon Kohden also announces today that its Board of Directors held on April 28, 2023 passed a resolution to revise the Company's year-end dividend forecast for the fiscal year ended March 31, 2023.

1. Revision of Consolidated Financial Forecast

(1) Revision of Consolidated Financial Forecast for FY2022 (From April 1, 2022 to March 31, 2023)

	Net Sales	Operating Income	Ordinary Income	Income attributable to owners of parent	EPS
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	208,000	19,000	20,500	13,500	160.47
Revised forecast (B)	206,500	21,000	24,000	17,000	202.08
Difference (B-A)	-1,500	2,000	3,500	3,500	
Difference as percentage (%)	-0.7	10.5	17.1	25.9	
(Reference) FY2021 (ended March 31, 2022)	205,129	30,992	34,563	23,435	276.51

(2) Reasons for the Revision

In the fourth quarter, the Company expects net sales to be behind its previous forecast, as overseas sales were lower than the Company's expectations. Operating income is expected to exceed its previous forecast, because gross profit margin will be higher than its expectations and SG&A expenses will be lower than its expectations. Foreign exchange gains are also expected to exceed its expectations due to the revaluation of foreign currency-denominated assets held by the Group at the exchange rates at the end of the fiscal year.

*The above estimates are based on information available on the date of this report's announcement. Actual results may differ from such estimates due to unforeseen circumstances.

2. Revision of Forecast for Dividends

(1) Revision of Forecast for Dividends for FY2022

	Dividends per share		
	Interim (Second quarter)	Year-end	Full-year
Previous Forecast (announced on May 13, 2022)		¥20	¥40
Revised Forecast		¥41	¥61
Dividend Paid to Date in FY2022	¥20		
FY2021 (ended March 31, 2022)	¥19	¥48 (Ordinary Dividend ¥20) (Commemorative Dividend ¥13) (Special Dividend ¥15)	¥67 (Ordinary Dividend ¥39) (Commemorative Dividend ¥13) (Special Dividend ¥15)

(2) Reasons for the Revision

Nihon Kohden recognizes that returning profits to shareholders is one of management's most important tasks. The basic policy on distribution of profits and dividends is to maintain stable and continuous dividend payments while retaining necessary reserves for future business expansion. The priority for distribution of profits is i) investment necessary for future business expansion used in R&D investments, capital investments, M&A or alliances, and development of human resources, ii) dividends, and iii) share buybacks. The Company sets a target consolidated dividend payout ratio of 30% or more. Share buyback is considered in a flexible manner, taking into account comprehensively its future business deployment, investment plan, retained earnings, and stock price level. Based on recent performance trends and financial conditions, the Company decided to increase by 21 yen to 41 yen per share of the ordinary year-end dividend from the previous forecast of 20 yen per share. As a result, the full-year dividend for FY2022 will be 61 yen per share, including the interim dividend of 20 yen per share. This will be proposed at the 72nd Ordinary General Meeting of Shareholders to be held on June 28, 2023.