

February 2, 2021

NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces a Revision to its Forecast for Financial Results

Nihon Kohden announced today a revision of its forecast for consolidated financial results for the fiscal year ending March 31, 2021 from those announced on November 6, 2020.

1. Revision of Consolidated Forecast for FY2020 (From April 1, 2020 to March 31, 2021)

	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)	184,000	16,500	16,500	11,000	129.15
Revised forecast (B)	190,500	20,000	19,100	11,800	138.55
Difference (B-A)	6,500	3,500	2,600	800	
Difference as percentage (%)	3.5	21.2	15.8	7.3	
(Reference) FY2019 (ended March 31, 2020)	185,007	15,503	14,846	9,854	115.72

2. Reasons for the Revision

Based on the results for the third quarter (three months) of FY2020, the Company revised its forecast for FY2020, previously announced on November 6, 2020, while the Company continues to see uncertainty related to the impacts from the resurgence of COVID-19.

The Company has revised its domestic sales forecast to ¥129,000 million (up ¥1,800 million from its previous forecast) and its overseas sales forecast to ¥61,500 million (up ¥4,700 million from its previous forecast). The overall sales forecast is expected to be ¥190,500 million (up ¥6,500 million from its previous forecast). In Japan, the second state of emergency in January 2021 is expected to have some adverse effects such as restrictions on sales and service activities of the Company and the postponement of testing and surgical procedures in medical institutions. On the other hand, domestic sales in the fourth quarter will continue to recover, because the Government's supplementary budget will support demand in healthcare systems in the midst of the COVID-19. Internationally, the special demand related to COVID-19 in the third quarter (three months) exceeded the Company's expectations. A corresponding reactionary decline is expected to occur in the fourth quarter of FY2020.

Because sales are expected to be higher than the previous forecast, operating income, ordinary income and income attributable to owners of parent for FY2020 are expected to be ¥20,000 million (up ¥3,500 million from its previous forecast), ¥19,100 million (up ¥2,600 million from its previous forecast) and ¥11,800 million (up ¥800 million from its previous forecast) respectively.

Due to the arrest and prosecution of three employees of Nihon Kohden Corporation in Japan on suspicion of bribery in January 2021, some public university hospitals and public medical institutions have imposed dispositions such as suspending transactions or designation with the Company. The impacts of this matter on the consolidated results for FY2020 are expected to be limited.

*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.