



February 7, 2023

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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 full year of the fiscal year ending March 31, 2023, which were announced on September 22, 2022.

1. 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)	54,000	8,000	7,500	6,100	6,100	265.15
Revised forecast (B)	52,100	7,600	6,700	5,700	5,700	247.77
Change (B-A)	△1,900	△400	△800	△400	△400	
Change (%)	△3.5%	△5.0%	△10.7%	△6.6%	△6.6%	
(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]

Regarding net sales, in the automotive market, as some of the Tier 1 customers (manufacturers who supply parts to finished car manufacturers) promoted inventory adjustment due to prolonged shortage of semiconductors, sales of automotive applications for the second half of the fiscal year are now forecast to be smaller than formerly expected. At the same time, sales of mobile communications applications are also expected to be smaller than formerly expected, since they were being adversely affected by the lockdown of Zhengzhou City, Henan Province of November 2022, which has caused a substantial decline in the operating ratio at the main factories of EMS manufacturers, which engage in the commissioned production of smartphones on a worldwide scale, and demand for smartphones is now expected to be lower than our previous assumption. Furthermore, for the fourth quarter, the assumed exchange rate on the average was revised in the direction of yen's appreciation, from ¥135 to the dollar to ¥125. As a consequence, net sales for the full fiscal year are now expected to be lower than our forecast released on September 22, 2022.

Regarding profit and loss, our Malaysian factories flooded by heavy rains in December 2021 received about ¥400 million and ¥900 million in the second and third quarter of the fiscal year ending March 2023, respectively, as the insurance claim and recorded insurance claim income of about ¥1.3 billion in other operating income. However, as the Company reported a loss of about ¥300 million as other operating expense resulting from the disaster, we forecast that it became unable to offset the decrease in profit caused by the sales decline.

Consequently, the operating income, income before income taxes, and net income attributable to the owners of the parent are all expected to be smaller than the previous forecast released on September 22, 2022.

(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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