



Notice of Difference between Consolidated Financial Results Forecast and Results, Revision of Consolidated Forecast, and Reduction in Remuneration of Corporate Officers

November 5, 2015

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Nihon Dempa Kogyo Co., Ltd. today announced the reason of the difference between its consolidated financial results forecast which was previously announced on May 11, 2015 and results for the second quarter of the year ending March 31, 2016. With aforementioned based on current business performance, company revised consolidated financial results forecast for the year ending March 31, 2016 which was previously announced on May 11, 2015.

Company also announced the decision of board of directors to reduce remuneration of corporate officers to clarify the management responsibility for this results.

1. Difference between Consolidated Financial Results Forecast and Results for the Six Months Ended September 30, 2015 (April 1, 2015 - September 30, 2015)

	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
Previous Forecast (A)	22,500	500	400	350	350	17.83
Result (B)	22,748	4	54	26	26	1.36
Increase/(Decrease) (B-A)	248	(495)	(345)	(323)	(323)	
Increase/(Decrease) in percentage (%)	1.1	(99.0)	(86.3)	(92.4)	(92.4)	
(Reference) Six months ended September 30, 2014	24,426	366	263	36	36	1.84

2. Reason for Difference

Although performance in mobile communication market and AV/OA market was higher than expected, in addition to underperformed fixed communication market, sales of the some of products which aimed to sell was not as expected and planned, therefore valuation loss for its stocks had increased. As a result at the profits side company had underperformed from the plan even net sales was about same as planned.

3. Revision of Consolidated Financial Results Forecast for the Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

	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
Previous Forecast (A)	46,000	1,500	1,300	1,200	1,200	61.14
Revised Forecast (B)	44,500	700	600	500	500	25.48
Increase/(Decrease) (B-A)	(1,500)	(800)	(700)	(700)	(700)	
Increase/(Decrease) in percentage (%)	(3.3)	(53.3)	(53.8)	(58.3)	(58.3)	
(Reference) The year ended March 31, 2015	47,730	175	359	(569)	(569)	(29.00)

4. Reason for Revision

In addition to unaccomplished profit plan for first half of the fiscal year, as a result of reexamination of net sales of second half of the fiscal year considering decreasing economic forecast of emerging markets such as China, company also revised consolidated annual results forecast as above.

Company assumed exchange rate of 120 yen to the dollar for second half of the fiscal year.

5. Reduction in Remuneration of Corporate Officers

Accepting this results and forecast for the year seriously, board of directors decided to reduce remuneration of corporate officers to clarify the management responsibility.

(1) Details of reduction

Reduce monthly remuneration from 30% to 10% taking into account for its each corporate officers' responsibilities.

(2) Effective Period

From November 2015 to March 2016

Notes:

The above forecasts on our future performance are based on the information currently available and certain assumptions we consider reasonable. Due to unforeseen circumstances, actual results may differ materially from such estimates.

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