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[Summary]

Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2026 [IFRS]

August 8, 2025

Company Name **Nihon Dempa Kogyo Co., Ltd.** Stock Exchange Listing: **Tokyo Stock Exchange, Prime Market**
 Code **6779** URL <https://www.ndk.com/en/index.html>
 Representative **Hiroshi Katoh, Representative Director and President**
 Contact person **Yuzuru Takeuchi, Director, Senior Corporate Officer and General Manager of Administration Division** Phone: **+81-3-5453-6711**
 Scheduled date to commence dividend payments: **—**
 Availability of supplementary material on financial results: **None**
 Holding of financial results briefing: **None**

(Figures less than a million yen are omitted)

1. Consolidated Financial Results for the First Quarter of the Year Ending March 31, 2026 (April 1, 2025 - June 30, 2025)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Income before income tax		Net income for the period		Net income attributable to owners of the parent		Total comprehensive income for the period	
Three Months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
June 30, 2025	12,720	0.8	780	(34.9)	612	(36.9)	471	(30.0)	471	(30.0)	390	(72.7)
June 30, 2024	12,623	8.8	1,199	88.6	970	304.9	672	335.8	672	335.8	1,429	130.5

	Basic earnings per share		Diluted earnings per share	
Three Months ended	Yen		Yen	
June 30, 2025	20.43		—	
June 30, 2024	29.17		—	

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
As at	Million Yen	Million Yen	Million Yen	%
June 30, 2025	71,363	29,216	29,216	40.9
March 31, 2025	71,522	29,170	29,170	40.8

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		15.00	—	15.00	30.00

(Note) Revision of dividends forecast from the latest announcement : **None**

3. Consolidated Financial Forecast for the Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% figures represent the changes from the same period of the previous year)

	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
Six Months ending Septemeber 30, 2025	25,800	(1.9)	1,300	(45.0)	700	(62.3)	500	(64.5)	500	(64.5)	21.68
Fiscal year ending March 31, 2026	53,000	(0.1)	2,800	(39.4)	1,700	(42.5)	1,300	(27.5)	1,300	(27.5)	56.38

(Note) Revision of consolidated financial forecast from the latest announcement : **None**

Notes

(1) Significant changes in the scope of consolidation during the period: **None**

(2) Changes in accounting policies and accounting estimates

- i) Changes in accounting policies required by IFRS : **None**
- ii) Changes in accounting policies other than i) : **None**
- iii) Changes in accounting estimates : **None**

(3) Number of issued shares (Ordinary shares)

(shares)

i) Number of issued shares at the end of the period (including treasury shares)	June 30, 2025	23,128,605	March 31, 2025	23,128,605
ii) Number of treasury shares at the end of the period	June 30, 2025	69,198	March 31, 2025	69,098
iii) Average number of shares outstanding for the period (year-to-date)	June 30, 2025	23,059,472	June 30, 2024	23,059,911

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: **None**

* Explanation about appropriate use of consolidated financial forecast, other special notes

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 deemed reasonable. Due to unforeseen circumstances, actual results may differ significantly from such estimates.

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1. Qualitative Information on the Financial Results for the Three Months ended June 30, 2025

(1) Operating Environment and Results of Operations

In the first quarter of the fiscal year ending March 31, 2026 (April to June 2025), nations of the world were busy in taking appropriate steps to cope with the tariff policy the new U.S. administration issued. Although the adverse influence on the growth rate of the U.S. GDP for the April-June period had been feared to be caused by the opaque tariff policy, the actual impact proved to be limited. However, it is forecast that the influence of the tariff policy will be seen in the global economy in various ways.

In such circumstances, the U.S. tariff-related measures had only a slight influence on the Company during the quarter under review. Looking at sales by applications, sales of automobile applications, which account for approximately a half of total sales on a consolidated basis, posted a slight year-on-year decline due to such factors as the yen's appreciation; however, sales volume registered a year-on-year increase because an increased number of crystal devices are loaded on a vehicle due to the spread of the ADAS (Advanced Driver-Assistant System). In addition, sales of crystal units used for healthcare products increased and sales in the special equipment market increased centering at defense-related products. Sales of products used for AI servers were started in the fourth quarter (January to March) of the previous fiscal year. In the mobile communication market, in contrast, sales to smartphone manufacturers were down.

As a result, net sales during the period on a consolidated basis totaled ¥12,720 million, up 0.8% year-on-year. Regarding profits, operating income decreased 34.9% year-on-year to ¥780 million, due to increased costs for upfront investment aiming at future growth. Income before income taxes decreased 36.9% year-on-year to ¥612 million and net income stood at ¥471 million, down 30.0% year-on-year. The average foreign exchange rate during the period was ¥145.33 to the U.S. dollar (compared with ¥156.53 in the same quarter of the previous year).

(2) Financial Condition

As at the first quarter-end (June 30, 2025), total assets stood at ¥71,363 million, a ¥158 million decrease from the previous fiscal year-end, reflecting the following factors: an increase of ¥1,489 million in Cash and cash equivalents, an increase of ¥541 million in Inventories, an increase of ¥268 million in Intangible assets, a decrease of ¥215 million in Trade receivables, a decrease of ¥382 million in Property, plant and equipment, a decrease of ¥1,862 million in Consumption taxes refund receivables included in Others of Current assets. Total liabilities amounted to ¥42,147 million, a ¥204 million decrease from the previous fiscal year-end, owing mainly to a ¥300 million increase in Deposits received included in Others of Current liabilities, a ¥597 million decrease in Trade and other payables. Equity attributable to the Owners of the parent stood at ¥29,216 million, a ¥45 million increase from the year earlier, because of ¥390 million in Comprehensive income and ¥346 million in Dividends declared.

As a result, the ratio of equity attributable to the Owners of the parent was 40.9%, 0.1 percentage points higher than the previous fiscal year-end of 40.8%.

(3) Consolidated Financial Forecasts for the Year Ending March 31, 2026

There is no change from the Consolidated Financial Forecasts announced on May 13, 2025, given that the value of orders received during the first quarter of the current fiscal year has increased mainly for mobile communication and industrial equipment applications. Considering that the U.S. tariff policy may have an impact on the demand for automotive applications, such an influence has been discounted to some extent in the consolidated business results forecasts. And yet, we should keep a watchful eye, since it is possible that the demand will fluctuate more than expected.

Forward-looking statements about our future performance are based on the information 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.

2. Notes to Summary Information

(1) Significant Changes in the Scope of Consolidation During the Period

None

(2) Changes in Accounting Policies and Accounting Estimates

None

3. Condensed Quarterly Consolidated Financial Statements for the Three Months ended June 30, 2025**(1) Condensed Quarterly Consolidated Statements of Financial Position**

(Millions of yen)

	March 31, 2025	June 30, 2025
Assets		
Current assets:		
Cash and cash equivalents	15,881	17,370
Trade receivables	12,705	12,489
Inventories	10,480	11,022
Income taxes refundable	31	81
Others	4,383	2,526
Total current assets	43,482	43,490
Non-current assets:		
Property, plant and equipment	19,716	19,333
Intangible assets	2,280	2,548
Investments accounted for using the equity method	2,096	2,008
Other financial assets	1,462	1,486
Deferred tax assets	1,223	1,254
Others	1,261	1,241
Total non-current assets	28,039	27,873
Total assets	71,522	71,363
Liabilities		
Current liabilities:		
Loans and borrowings	803	1,938
Lease liabilities	768	763
Trade and other payables	9,469	8,871
Income taxes payable	345	345
Others	768	1,060
Total current liabilities	12,155	12,979
Non-current liabilities:		
Loans and borrowings	25,808	24,640
Lease liabilities	2,171	2,200
Deferred tax liabilities	18	16
Employee benefits	1,682	1,691
Provisions	484	480
Deferred government grants	8	17
Others	22	122
Total non-current liabilities	30,196	29,167
Total liabilities	42,351	42,147
Equity		
Equity attributable to Owners of the parent:		
Share capital	5,596	5,596
Share premium	3,290	3,293
Other components of equity	1,741	1,660
Retained earnings	18,541	18,666
Total equity attributable to Owners of the parent	29,170	29,216
Total equity	29,170	29,216
Total liabilities and equity	71,522	71,363

(2) Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025
Net sales	12,623	12,720
Cost of sales	8,665	9,103
Gross profit	3,958	3,616
Selling, general and administrative expenses	2,318	2,265
Research and development expenses	448	627
Other operating income	44	67
Other operating expenses	36	10
Operating income	1,199	780
Financial income	28	51
Financial expenses	228	132
Share of loss of investments accounted for using the equity method	(29)	(87)
Income before income tax	970	612
Income tax expenses	297	141
Net income for the period	672	471
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plan	108	—
Financial assets measured at fair value through other comprehensive income	(16)	18
Income tax relating to items that will not be reclassified	1	(5)
Subtotal	93	13
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	660	(93)
Share of other comprehensive income of entities accounted for using equity method	3	(0)
Subtotal	663	(94)
Other comprehensive income for the period, net of income tax	757	(80)
Comprehensive income for the period	1,429	390
Net income attributable to:		
Owners of the parent	672	471
Comprehensive income attributable to:		
Owners of the parent	1,429	390
		(Yen)
Earnings per share:		
Basic earnings per share	29.17	20.43

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three Months ended June 30, 2024

(Millions of yen)

	Share Capital	Share premium		
		Additional paid-in capital	Treasury shares	Total share premium
Balance as at April 1, 2024	5,596	3,386	(91)	3,294
Comprehensive income for the period				
Net income				—
Other comprehensive income				
Remeasurement of defined benefit plan				—
Net change in financial assets measured at fair value through other comprehensive income				—
Exchange differences on translation of foreign operations				—
Share of other comprehensive income of entities accounted for using equity method				—
Total comprehensive income for the period	—	—	—	—
Transactions with owners, recorded directly in equity				
Dividends declared				—
Share-based payment transactions		4		4
Purchase of treasury shares			(0)	(0)
Total transactions with owners	—	4	(0)	4
Balance as at June 30, 2024	5,596	3,390	(91)	3,298

	Other components of equity				Retained earnings	Attributable to owners of the parent	Total equity
	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of entities accounted for using equity method	Total other components of equity			
Balance as at April 1, 2024	337	1,331	15	1,683	16,799	27,373	27,373
Comprehensive income for the period							
Net income				—	672	672	672
Other comprehensive income							
Remeasurement of defined benefit plan				—	108	108	108
Net change in financial assets measured at fair value through other comprehensive income	(14)			(14)		(14)	(14)
Exchange differences on translation of foreign operations		660		660		660	660
Share of other comprehensive income of entities accounted for using equity method			3	3		3	3
Total comprehensive income for the period	(14)	660	3	648	780	1,429	1,429
Transactions with owners, recorded directly in equity							
Dividends declared				—	(345)	(345)	(345)
Share-based payment transactions				—		4	4
Purchase of treasury shares				—		(0)	(0)
Total transactions with owners	—	—	—	—	(345)	(341)	(341)
Balance as at June 30, 2024	322	1,991	18	2,332	17,234	28,461	28,461

Three Months ended June 30, 2025

(Millions of yen)

	Share Capital	Share premium		
		Additional paid-in capital	Treasury shares	Total share premium
Balance as at April 1, 2025	5,596	3,383	(92)	3,290
Comprehensive income for the period				
Net income				—
Other comprehensive income				
Net change in financial assets measured at fair value through other comprehensive income				—
Exchange differences on translation of foreign operations				—
Share of other comprehensive income of entities accounted for using equity method				—
Total comprehensive income for the period	—	—	—	—
Transactions with owners, recorded directly in equity				
Dividends declared				—
Share-based payment transactions		2		2
Purchase of treasury shares			(0)	(0)
Total transactions with owners	—	2	(0)	2
Balance as at June 30, 2025	5,596	3,385	(92)	3,293

	Other components of equity				Retained earnings	Attributable to owners of the parent	Total equity
	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of entities accounted for using equity method	Total other components of equity			
Balance as at April 1, 2025	393	1,333	14	1,741	18,541	29,170	29,170
Comprehensive income for the period							
Net income				—	471	471	471
Other comprehensive income							
Net change in financial assets measured at fair value through other comprehensive income	13			13		13	13
Exchange differences on translation of foreign operations		(93)		(93)		(93)	(93)
Share of other comprehensive income of entities accounted for using equity method			(0)	(0)		(0)	(0)
Total comprehensive income for the period	13	(93)	(0)	(80)	471	390	390
Transactions with owners, recorded directly in equity							
Dividends declared				—	(346)	(346)	(346)
Share-based payment transactions				—		2	2
Purchase of treasury shares				—		(0)	(0)
Total transactions with owners	—	—	—	—	(346)	(344)	(344)
Balance as at June 30, 2025	406	1,240	13	1,660	18,666	29,216	29,216

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025
Operating activities:		
Income before income tax	970	612
Depreciation and amortisation	855	871
Share of loss of investments accounted for using equity method	29	87
Decrease/(increase) in trade receivables	496	192
Decrease/(increase) in inventories	(307)	(544)
Decrease/(increase) in consumption tax/value-added tax receivables	1,453	1,858
Increase/(decrease) in trade payables	22	148
Increase/(decrease) in accounts payable - other	273	175
Increase/(decrease) in accrued bonus	(123)	(482)
Interest and dividend income	(27)	(21)
Interest expense	137	130
Interest and dividends received	27	21
Interest paid	(138)	(114)
Income tax refunded/(paid), net	(270)	(275)
Decrease/(increase) in derivative assets	—	58
Increase/(decrease) in derivative liabilities	108	31
Other, net	11	344
Net cash provided by/(used in) operating activities	3,520	3,093
Investing activities:		
Purchase of property, plant and equipment	(453)	(837)
Purchase of intangible assets	(271)	(202)
Proceeds from sales of property, plant and equipment	1	—
Other, net	(4)	(0)
Net cash provided by/(used in) investing activities	(729)	(1,040)
Financing activities:		
Repayment of long-term loans and borrowings	(326)	(10)
Net increase/(decrease) in short-term loans and borrowings	(1,722)	—
Repayments of lease liabilities	(184)	(219)
Dividends paid	(298)	(298)
Purchase of treasury shares	(0)	(0)
Net cash provided by/(used in) by financing activities	(2,531)	(528)
Net increase/(decrease) in cash and cash equivalents	258	1,524
Cash and cash equivalents at beginning of year	12,303	15,881
Net effect of currency translation on cash and cash equivalents	259	(35)
Cash and cash equivalents at end of period	12,821	17,370

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Going Concern Assumption)

None

(Segment Information)

(a) General information

The main activities of the Group are the integrated manufacture and sale of crystal related products, such as crystal units, crystal oscillators, other crystal devices, ultrasonic transducers, synthetic quartz crystals, and crystal elements, and there are no separate operating segments. Therefore, the Group has a single reportable segment.

(b) Information about products and services

Net sales by type of products are as follows.

(Millions of yen)

	Three Months ended June 30, 2024		Three Months ended June 30, 2025		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	9,587	75.9	9,431	74.1	(156)	(1.6)
Crystal oscillators	2,132	16.9	1,905	15.0	(226)	(10.6)
Others	904	7.2	1,383	10.9	479	53.0
Total	12,623	100.0	12,720	100.0	96	0.8