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Notice of Differences between Consolidated Financial Forecast and Actual Results for First Half Ending March 2026 and Revision to Full-Year Forecast

Nihon Dempa Kogyo Co., Ltd. (the "Company") hereby announces that differences arose between the consolidated financial forecast for the six month period ended September 2025, which was announced on May 13, 2025, and the actual results announced today. Moreover, in light of recent performance trends, the Company has revised the full-year consolidated financial forecast as shown below.

1. Differences between the consolidated financial forecast and the actual results for the six-month period ended September 30, 2025 (April 1 - September 30, 2025)

	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
Previous forecast (A)	25,800	1,300	700	500	500	21.68
Results (B)	26,686	1,431	1,040	802	802	34.80
Increase / Decrease (B-A)	886	131	340	302	302	
Increase / Decrease in percentage (B-A)	3.4%	10.1%	48.6%	60.4%	60.4%	
(Reference) Results for the first half of the fiscal year ended March 2025	26,308	2,363	1,856	1,407	1,407	61.04

[Reasons for the differences]

Sales increased due to increased demand for optical transceivers for AI data centers, as well as a weaker yen compared to initial assumptions, both of which contributed to higher profitability. Furthermore, as foreign exchange losses were kept lower than anticipated, income before income taxes and net income for the period under review significantly exceeded our initial projections. It should be noted that the assumed exchange rate at the beginning of the fiscal year was ¥140 to the U.S. dollar, whereas the average exchange rate for the period under review was ¥146.64 to the U.S. dollar.

2. Revision to the full-year consolidated financial forecast for the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

	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
Previously announced forecast (A)	53,000	2,800	1,700	1,300	1,300	56.38
Revised forecast (B)	53,400	3,200	2,300	1,700	1,700	73.76
Increase / Decrease (B-A)	400	400	600	400	400	
Increase / Decrease in percentage (B-A)	0.8%	14.3%	35.3%	30.8%	30.8%	
(Reference) Results for the fiscal year ended March 2025	53,064	4,622	2,955	1,792	1,792	77.75

[Reasons for the revision]

Demand for high-margin products for AI data centers and the defense sector is expected to remain strong in and after the third quarter. As a result, operating income, income before income taxes, and net income are all projected to exceed the initial forecasts. In addition, we have revised the assumed average exchange rate for the U.S. dollar for the period from the third quarter onward from ¥140 to ¥148.

(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. Actual results may differ from the above forecasts.