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[Summary]

Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2027 [IFRS]

November 9, 2026

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 **Hiromi 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 file semi-annual securities report: **November 9, 2026**
Scheduled date to commence dividend payments: **December 14, 2026**
Availability of supplementary material on financial results: **Yes**
Holding of financial results briefing: **Yes (for securities analysts and institutional investors)**

(Figures less than a million yen are omitted)

1. Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2027 (April 1, 2026 - September 30, 2026)

(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	
Six Months ended	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
September 30, 2026	31,194	16.9	2,404	68.0	2,065	98.5	1,570	95.7	1,570	95.7	1,844	53.0
September 30, 2025	26,686	1.4	1,431	(39.4)	1,040	(44.0)	802	(43.0)	802	(43.0)	1,205	(15.6)

	Basic earnings per share	Diluted earnings per share
Six Months ended	Yen	Yen
September 30, 2026	68.47	—
September 30, 2025	34.80	—

(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	%
September 30, 2026	79,111	33,442	33,442	42.3
March 31, 2026	76,325	31,917	31,917	41.8

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, 2026	—	15.00	—	15.00	30.00
Fiscal year ending March 31, 2027	—	15.00			
Fiscal year ending March 31, 2027 (Forecast)			—	15.00	30.00

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

3. Consolidated Financial Forecast for the Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% 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
Fiscal year ending March 31, 2027	63,500	16.2	5,200	55.0	4,300	68.4	3,200	54.9	3,200	54.9	139.56

(Note) Revision of consolidated financial forecast from the latest announcement : **Yes**

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)	September 30, 2026	23,128,605	March 31, 2026	23,128,605
ii) Number of treasury shares at the end of the period	September 30, 2026	194,500	March 31, 2026	201,035
iii) Average number of shares outstanding for the period (year-to-date)	September 30, 2026	22,930,313	September 30, 2025	23,046,524

* This summary of the business results and the attached financial statements are unaudited.

* 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 is 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 Six Months ended September 30, 2026

(1) Operating Environment and Results of Operations

During the first six months of the consolidated fiscal year under review (from April to September 2026), the world economy generally maintained its firm tone, supported by expanding AI-related investment and other factors, despite prolonged high energy prices caused by escalating tensions in the Middle East. Meanwhile, long-term interest rates rose in financial markets against the background of concerns over prolonged inflationary pressure. Uncertainty over the situation in the Middle East remains high, and downside risks to the economy persist, including those associated with trends in monetary and fiscal policies.

In such a business environment, referring to the Company's sales performance by application, sales of automotive electronics, which account for more than half of total sales, remained at a high level in the second quarter against the background of the expanding demand related to ADAS (Advanced Driver-Assistance Systems), and sales for the first six months of the consolidated fiscal year under review increased year-on-year. Regarding sales of industrial equipment, sales in the second quarter grew further, centering on products used in optical transceivers, backed by the expanding demand for products related to AI data centers: sales for the first six months of the consolidated fiscal year under review approximately doubled year-on-year. Meanwhile, sales of mobile communication posted a decline, affected by sluggish demand for smartphones from Chinese smartphone manufacturers. Sales of special equipment, which are used mainly for defense purposes, also posted a decline as a reaction to the large sales seen in the fourth quarter of the preceding consolidated fiscal year. As a result, net sales for the first six months of the consolidated fiscal year under review amounted to ¥31,194 million, up 16.9% year-on-year.

Regarding profits, operating income amounted to ¥2,404 million (up 68.0% year-on-year), income before income taxes to ¥2,065 million (up 98.5% year-on-year), and net income attributable to owners of the parent to ¥1,570 million (up 95.7% year-on-year), with all profit categories exceeding the same period of the preceding fiscal year. Endeavoring to achieve the Vision 2030, the Company is promoting portfolio transformation (the "Five Pillars + One") under the medium-term management plan and continues to make upfront investments, including research and development investments, to support this transformation. In the first six months of the consolidated fiscal year under review, such upfront investment costs were offset by the substantial increase in sales so that increases in both sales and profit were realized. The average foreign exchange rate during the period was ¥159.94 to the U.S. dollar (¥146.64 in the same period of the preceding consolidated fiscal year).

(2) Financial Condition

As at the second quarter-end (September 30, 2026), total assets stood at ¥79,111 million, a ¥2,786 million increase from the previous fiscal year-end, reflecting the following factors: an increase of ¥1,605 million in Cash and cash equivalents, an increase of ¥1,142 million in Property, plant and equipment, an increase of ¥966 million in Trade receivables, an increase of ¥851 million in Inventories, a decrease of ¥2,069 million in Others of Current assets, including other receivables and consumption taxes refund receivables. Total liabilities amounted to ¥45,669 million, a ¥1,261 million increase from the previous fiscal year-end, owing mainly to a ¥2,402 million increase in Trade and other payables, a ¥1,315 million decrease in Loans and borrowings. Equity attributable to the Owners of the parent stood at ¥33,442 million, a ¥1,525 million increase from the previous fiscal year-end, because of ¥1,844 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 42.3%, 0.5 percentage points higher than the previous fiscal year-end of 41.8%.

(3) Consolidated Financial Forecasts for the Year Ending March 31, 2027

The full-year consolidated financial forecast for the fiscal year ending March 2027 (April 1, 2026–March 31, 2027), which was announced on August 7, 2026, has been revised. For details regarding this revision, please refer to "Notice of Revision to Full-Year Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2027" released today (November 9, 2026).

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 Six Months ended September 30, 2026

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	March 31, 2026	September 30, 2026
Assets		
Current assets:		
Cash and cash equivalents	10,805	12,410
Time deposits	800	—
Trade receivables	13,798	14,764
Inventories	12,443	13,295
Income taxes refundable	43	36
Derivative assets	—	100
Others	6,086	4,016
Total current assets	43,977	44,625
Non-current assets:		
Property, plant and equipment	23,173	24,315
Intangible assets	3,241	3,751
Investments accounted for using the equity method	1,922	1,903
Other financial assets	1,867	2,291
Deferred tax assets	1,489	1,594
Others	653	630
Total non-current assets	32,347	34,486
Total assets	76,325	79,111
Liabilities		
Current liabilities:		
Loans and borrowings	1,328	400
Lease liabilities	884	899
Trade and other payables	10,329	12,731
Derivative liabilities	150	—
Provisions	54	44
Income taxes payable	419	772
Others	807	1,182
Total current liabilities	13,975	16,031
Non-current liabilities:		
Loans and borrowings	24,807	24,420
Lease liabilities	2,518	2,189
Deferred tax liabilities	0	—
Employee benefits	1,604	1,605
Provisions	347	352
Deferred government grants	1,032	921
Others	121	148
Total non-current liabilities	30,432	29,637
Total liabilities	44,407	45,669
Equity		
Equity attributable to Owners of the parent:		
Share capital	5,596	5,596
Share premium	3,147	3,174
Other components of equity	3,518	3,795
Retained earnings	19,655	20,876
Total equity attributable to Owners of the parent	31,917	33,442
Total equity	31,917	33,442
Total liabilities and equity	76,325	79,111

(2) Condensed Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six Months ended September 30, 2025	Six Months ended September 30, 2026
Net sales	26,686	31,194
Cost of sales	19,159	22,065
Gross profit	7,527	9,128
Selling, general and administrative expenses	4,838	5,374
Research and development expenses	1,293	1,637
Other operating income	94	395
Other operating expenses	58	108
Operating income	1,431	2,404
Financial income	47	39
Financial expenses	323	359
Share of loss of investments accounted for using the equity method	(114)	(19)
Income before income tax	1,040	2,065
Income tax expenses	238	495
Net income for the period	802	1,570
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Financial assets measured at fair value through other comprehensive income	192	438
Income tax relating to items that will not be reclassified	(55)	(141)
Subtotal	136	297
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	270	(17)
Share of other comprehensive income of entities accounted for using equity method	0	—
Income tax relating to items that may be reclassified	(4)	(5)
Subtotal	266	(22)
Other comprehensive income for the period, net of income tax	403	274
Comprehensive income for the period	1,205	1,844
Net income attributable to:		
Owners of the parent	802	1,570
Comprehensive income attributable to:		
Owners of the parent	1,205	1,844
		(Yen)
Earnings per share:		
Basic earnings per share	34.80	68.47

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Six Months ended September 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		7		7
Purchase of treasury shares			(44)	(44)
Disposal of treasury shares		(0)	3	2
Total transactions with owners	–	6	(41)	(34)
Balance as at September 30, 2025	5,596	3,389	(133)	3,256

	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				–	802	802	802
Other comprehensive income							
Net change in financial assets measured at fair value through other comprehensive income	136			136		136	136
Exchange differences on translation of foreign operations		266		266		266	266
Share of other comprehensive income of entities accounted for using equity method			0	0		0	0
Total comprehensive income for the period	136	266	0	403	802	1,205	1,205
Transactions with owners, recorded directly in equity							
Dividends declared				–	(346)	(346)	(346)
Share-based payment transactions				–		7	7
Purchase of treasury shares				–		(44)	(44)
Disposal of treasury shares				–		2	2
Total transactions with owners	–	–	–	–	(346)	(381)	(381)
Balance as at September 30, 2025	530	1,600	14	2,145	18,997	29,994	29,994

Six Months ended September 30, 2026

(Millions of yen)

	Share Capital	Share premium		
		Additional paid-in capital	Treasury shares	Total share premium
Balance as at April 1, 2026	5,596	3,398	(250)	3,147
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				–
Total comprehensive income for the period	–	–	–	–
Transactions with owners, recorded directly in equity				
Dividends declared				–
Share-based payment transactions		8		8
Purchase of treasury shares			(0)	(0)
Disposal of treasury shares		9	9	19
Total transactions with owners	–	18	8	27
Balance as at September 30, 2026	5,596	3,416	(241)	3,174

	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	Total other components of equity			
Balance as at April 1, 2026	660	2,857	3,518	19,655	31,917	31,917
Comprehensive income for the period						
Net income			–	1,570	1,570	1,570
Other comprehensive income						
Remeasurement of defined benefit plan			–	(2)	(2)	(2)
Net change in financial assets measured at fair value through other comprehensive income	299		299		299	299
Exchange differences on translation of foreign operations		(22)	(22)		(22)	(22)
Total comprehensive income for the period	299	(22)	276	1,567	1,844	1,844
Transactions with owners, recorded directly in equity						
Dividends declared			–	(346)	(346)	(346)
Share-based payment transactions			–		8	8
Purchase of treasury shares			–		(0)	(0)
Disposal of treasury shares			–		19	19
Total transactions with owners	–	–	–	(346)	(319)	(319)
Balance as at September 30, 2026	960	2,834	3,795	20,876	33,442	33,442

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months ended September 30, 2025	Six Months ended September 30, 2026
Operating activities:		
Income before income tax	1,040	2,065
Depreciation and amortisation	1,772	2,084
Gain on sales of property, plant and equipment	(1)	(0)
Share of loss of investments accounted for using equity method	114	(19)
Government grant income	(9)	(61)
Decrease/(increase) in trade receivables	(409)	(1,015)
Decrease/(increase) in inventories	(834)	(861)
Decrease/(increase) in consumption tax/value-added tax receivables	1,266	814
Increase/(decrease) in trade payables	655	1,177
Increase/(decrease) in accounts payable - other	(248)	(49)
Increase/(decrease) in trade payables - other	33	371
Decrease/(increase) in derivative assets	58	(100)
Increase/(decrease) in derivative liabilities	118	(150)
Increase/(decrease) in provisions	18	13
Interest and dividend income	(30)	(39)
Interest expense	252	303
Interest and dividends received	29	39
Interest paid	(220)	(268)
Income tax refunded/(paid), net	(386)	(361)
Other, net	230	618
Net cash provided by/(used in) operating activities	3,449	4,560
Investing activities:		
Purchase of property, plant and equipment	(1,089)	(1,899)
Purchase of intangible assets	(492)	(803)
Proceeds from sales of property, plant and equipment	31	0
Proceeds from sales of other financial assets	110	0
Payments into time deposits	(1,500)	—
Proceeds from withdrawal of time deposits	—	800
Proceeds from government grants	—	1,108
Other, net	(1)	0
Net cash provided by/(used in) investing activities	(2,941)	(793)
Financing activities:		
Repayment of long-term loans and borrowings	(792)	(1,347)
Repayments of lease liabilities	(436)	(470)
Dividends paid	(346)	(346)
Purchase of treasury shares	(44)	(0)
Proceeds from disposal of treasury shares	3	9
Net cash provided by/(used in) financing activities	(1,617)	(2,155)
Net increase/(decrease) in cash and cash equivalents	(1,109)	1,610
Cash and cash equivalents at beginning of year	15,881	10,805
Net effect of currency translation on cash and cash equivalents	89	(5)
Cash and cash equivalents at end of period	14,862	12,410

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Going Concern Assumption)

None

(Change in Classification)

(Consolidated Statements of Cash Flows)

"Government grant income" and "Increase/(decrease) in trade payables - other," which were included in "Other, net" in "Operating activities" for the six months ended September 30, 2025, are separately presented for the six months ended September 30, 2026, due to their increased monetary significance. Reflecting this change, the comparative consolidated statements of cash flows for the six months ended September 30, 2025 have been reclassified.

As a result, ¥254 million, which was presented as "Other" under "Cash flows from operating activities" for the previous interim consolidated accounting period, has been reclassified as "Government grants" of negative ¥9 million, "Increase (decrease) in other operating payables" of ¥33 million, and "Other" of ¥230 million.

(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)

	Six Months ended September 30, 2025		Six Months ended September 30, 2026		Increase/(decrease)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Change (%)
Quartz crystal units	19,565	73.3	21,734	69.7	2,169	11.1
Crystal oscillators	4,217	15.8	6,810	21.8	2,593	61.5
Others	2,904	10.9	2,649	8.5	(255)	(8.8)
Total	26,686	100.0	31,194	100.0	4,507	16.9