Full-Year Results for Fiscal 2025 (Ended March 31, 2026)

May 22, 2026

Nihon Dempa Kogyo Co., Ltd.

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1. Results For FY2025 (Ended March 31, 2026)
2. Financial Forecast for FY2026 (Ending March 31, 2027)
3. Progress of the Medium-Term Management Plan
4. NDK's Competitive Advantages and Growth Strategy

Presented by Hiromi Katoh,
Representative Director and President

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Summary of Financial Results

- FY2025 full-year net sales increased YoY.
- Operating income declined YoY due to higher upfront investment expenses toward Vision 2030, but exceeded forecasts.

(Million yen)	FY2024 Full Year Result ①	FY2025 1H Result	FY2025 2H Result	FY2025 Full Year Forecast ②	YoY ②-①	FY2025 2H Year Forecast (as of Nov. 11)	FY2025 Full Year Forecast (as of Nov. 11)
Net Sales	53,064	26,686	27,943	54,629	+1,565	26,714	53,400
Operating Income	4,622	1,431	1,914	3,355	-1,267	1,769	3,200
Operating Income Ratio	8.7%	5.4%	6.9%	6.1%	-2.6%	6.6%	6.0%
Income before Income Tax	2,955	1,040	1,497	2,552	-403	1,259	2,300
Net Income	1,792	802	1,326	2,065	+273	898	1,700
Exchange Rate (against U.S. dollar)	152.48	146.64	155.38	151.01	-1.47	148.13	147.32
R&D Expenses	2,085	1,293	1,537	2,830	+745	1,407	2,700
Depreciation	3,427	1,771	2,140	3,911	+484	2,029	3,800

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Net Sales by Application (YoY)

- Net sales for automotive, industrial equipment (mainly AI data centers), and special equipment (mainly defense) applications increased.

(Billion yen)

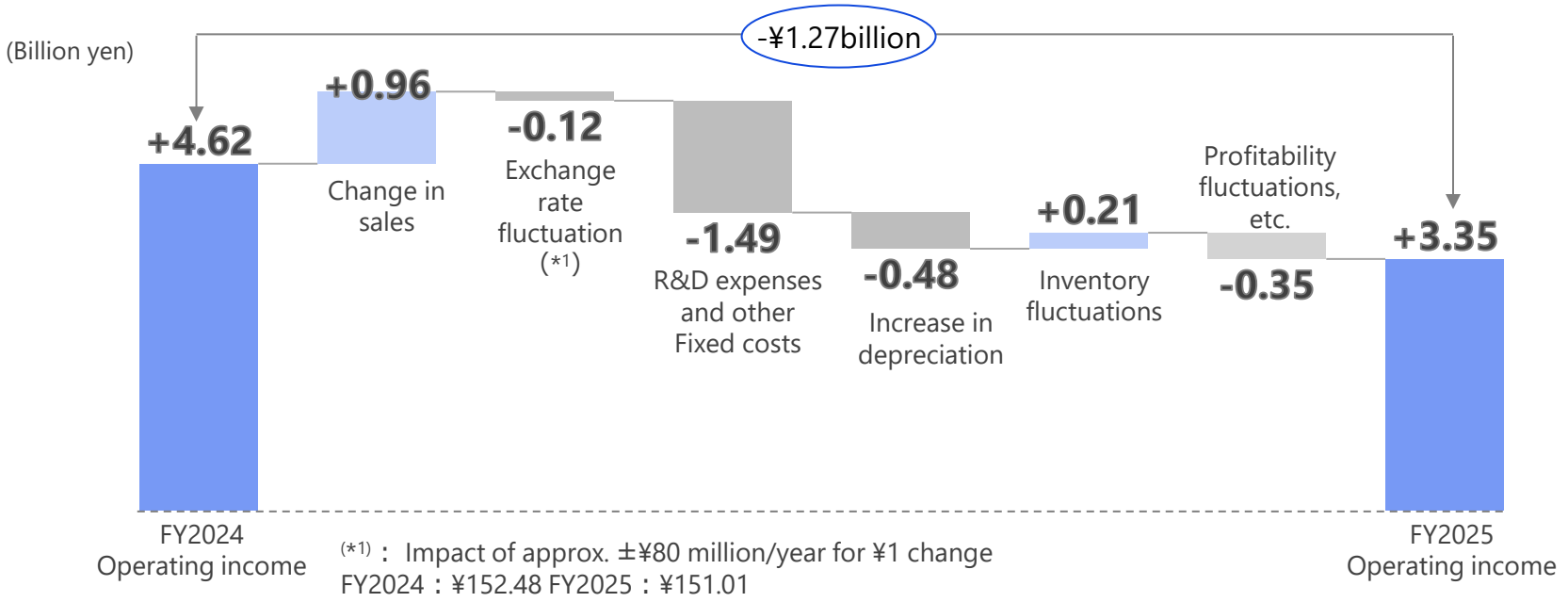
	Net Sales			Factors of increase/decrease
	FY2024	FY2025	YoY	
Automotive electronics	29.2	30.1	+0.9	Sales increased supported by customer's efforts to secure safety stock amid rising memory prices.
Mobile communications/IoT	13.4	13.0	-0.4	Sales for major smartphone manufacturers declined.
Industrial equipment	3.5	4.4	+0.9	Sales for AI data center increased.
Special equipment[1]	1.2	1.7	+0.5	Sales for defense-related increased.
Optical products	1.9	1.4	-0.5	Sales for professional camera declined.
Others	3.8	4.0	+0.2	Sales for medical equipment and other applications increased.
Total	53.0	54.6	+1.6	

1:Special equipment handles products for defense, space, and public wireless network applications.

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Operating Income: Analysis of Changes from FY2024

■ Upfront investment expenses, including R&D expenses, increased toward the realization of Vision 2030.

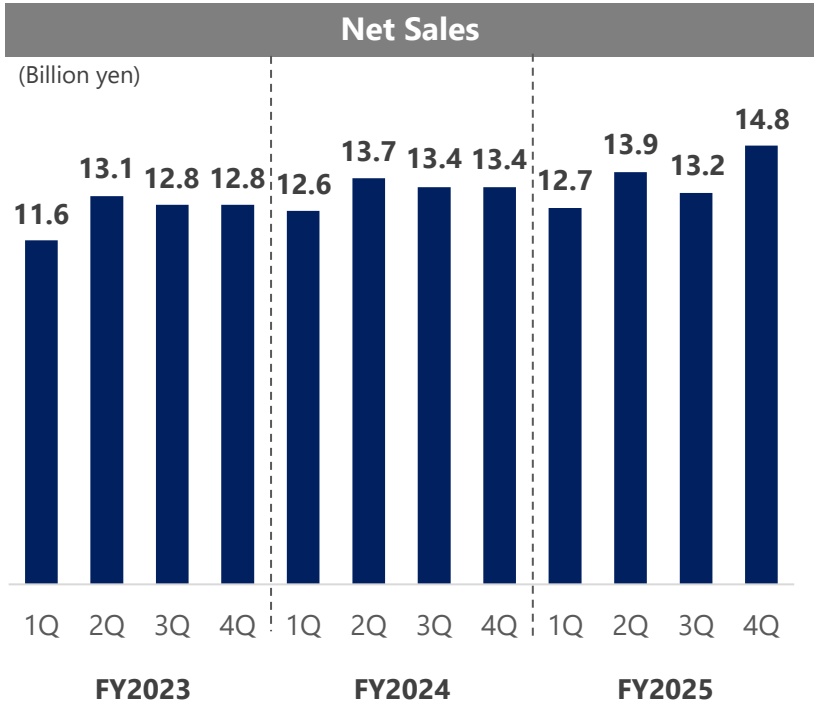


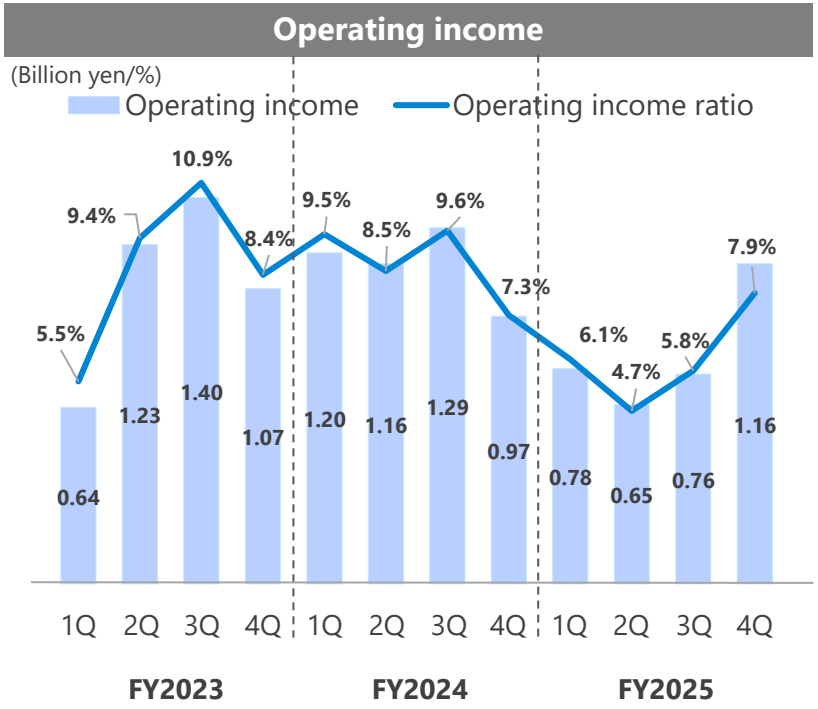
Net sales ¥53.0 billion → +¥1.6billion → ¥54.6 billion

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Financial Results (Quarterly)

- Net sales in 4Q FY2025 increased QoQ, and operating income also increased reflecting the higher sales.

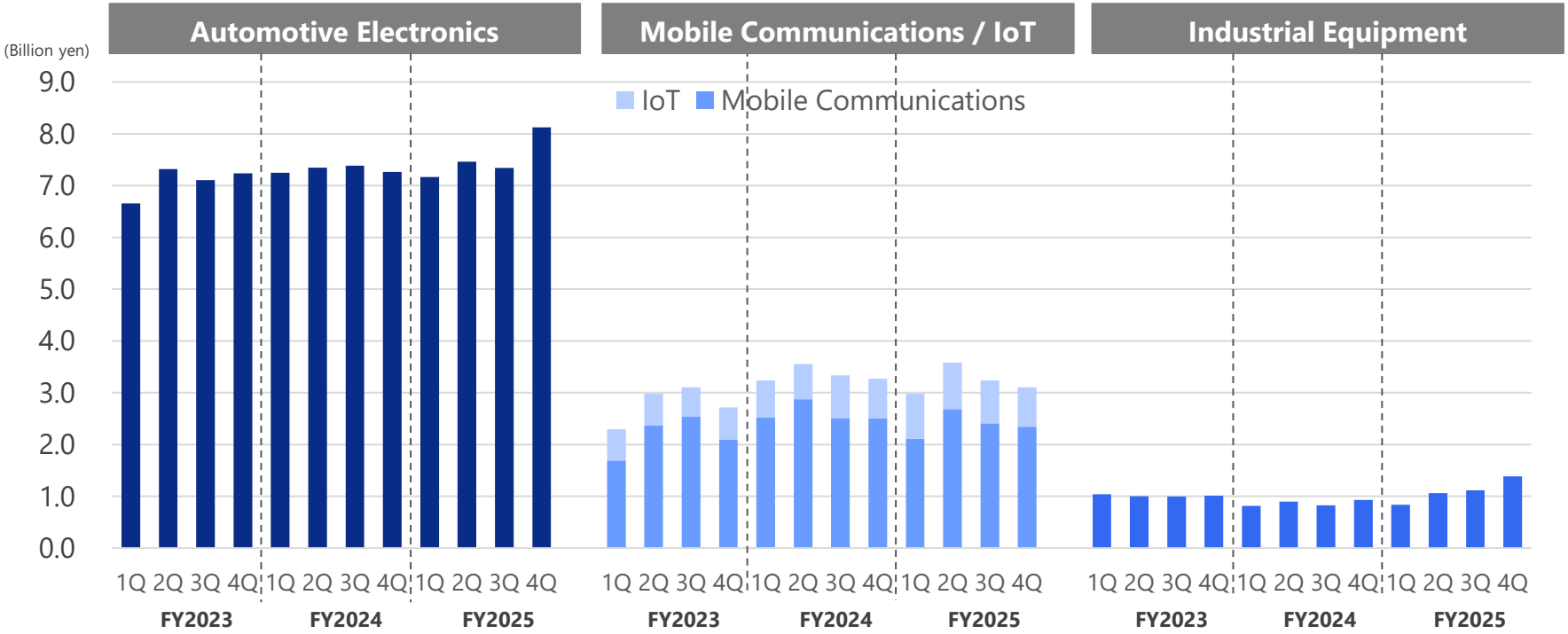




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Net Sales (by Main Application)

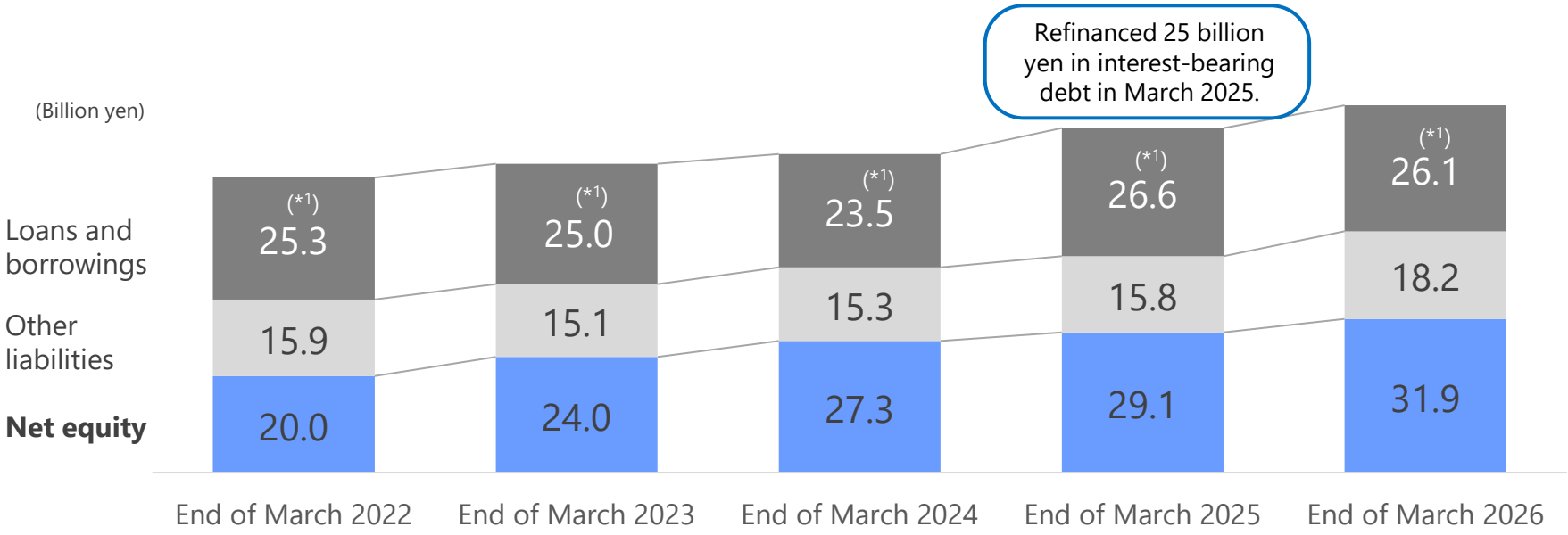
- Sales for automotive applications increased in 4Q FY2025, supported by customer's efforts to secure safety stock amid rising memory prices.
- Sales for mobile communications applications declined after peaking in 2Q FY2025.
- Sales for industrial equipment applications showed an increasing trend, driven by AI data center demand.



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Financial Position

■ Shareholders' equity ratio stood at 41.8% as of the end of March 2026.



	End of March 2022	End of March 2023	End of March 2024	End of March 2025	End of March 2026
Shareholders equity ratio (Net equity ÷Total assets)	**32.7%**	**37.4%**	**41.4%**	**40.8%**	**41.8%**
D/E ratio (Loans and borrowings ÷ Net equity)	1.26	1.04	0.86	0.91	0.81

*1: The amount of loans and borrowings are adjusted for the arrangement fee of syndicated loan.

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Financial Forecast

- Net sales are expected to increase by JPY 6.0 billion YoY.
- Operating income is expected to increase YoY, while proceeding with upfront investments such as R&D as planned.

(Million yen)	FY2025 Full Year Result	FY2026 Forecast			YoY
		1H	2H	Full year	
Net Sales	**54,629**	**29,500**	**31,100**	**60,600**	**+5,971**
Operating Income **Operating Income Ratio**	**3,355** **6.1%**	**1,400** **4.7%**	**2,600** **8.4%**	**4,000** **6.6%**	**+645** **+0.5%**
Income before Income Tax	**2,552**	**900**	**2,200**	**3,100**	**+548**
Net Income	**2,065**	**700**	**1,600**	**2,300**	**+235**
Exchange Rate (against U.S. dollar)	**151.01**	**150.00**	**150.00**	**150.00**	**-1.01**

R&D Expenses	**2,830**	**1,800**	**1,800**	**3,600**	**+770**
Depreciation	**3,911**	**2,100**	**2,300**	**4,400**	**+489**

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Net Sales by Application (Forecast)

- The significant increase in net sales is driven primarily by higher sales of products for AI data centers.

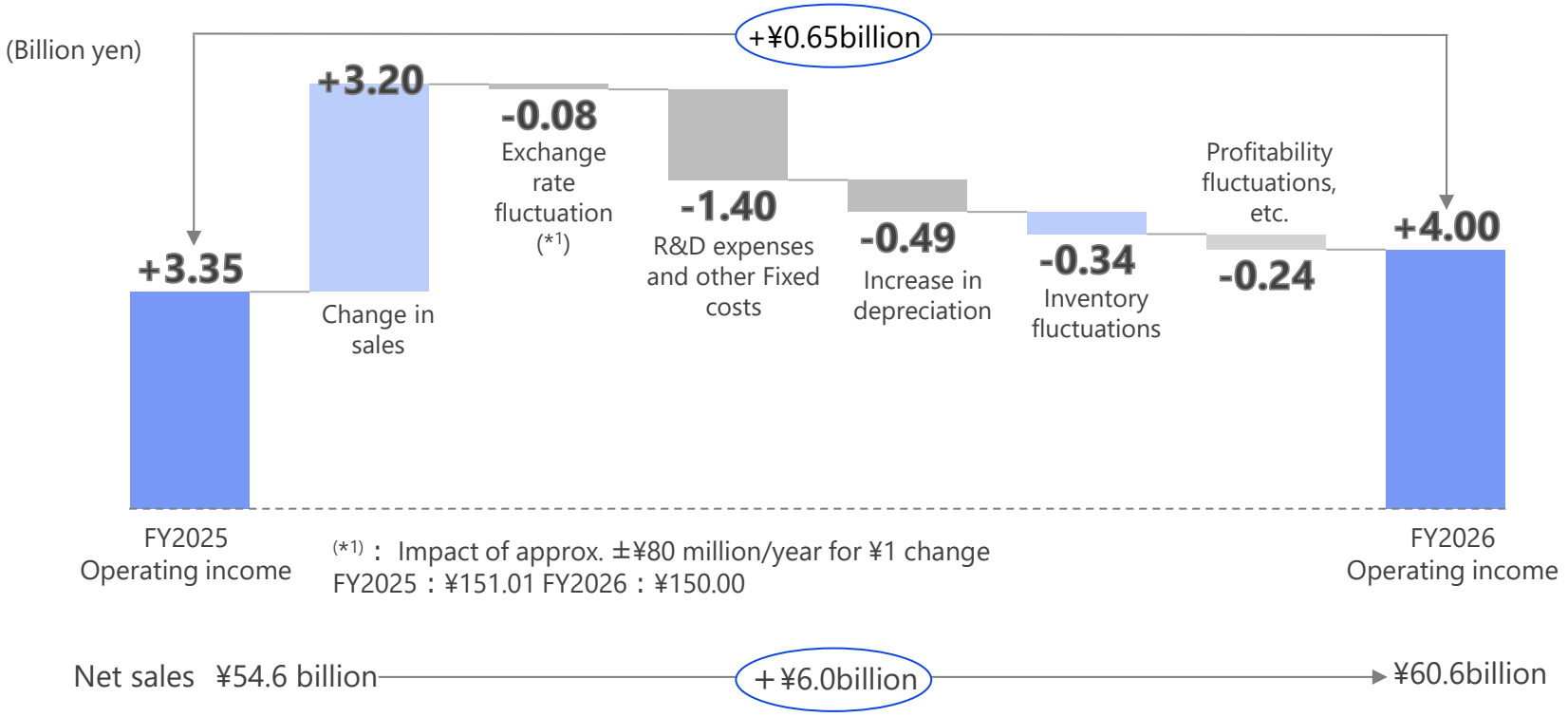
(Billion yen)	Net Sales				YoY	Factors of increase/decrease
	FY2025	FY2026 Forecast				
	Full Year	1H	2H	Full Year		
Automotive electronics	30.1	15.9	15.5	31.4	+1.3	Customer efforts to secure safety stock amid memory shortages continue through the first half.
Mobile communications/IoT	13.0	6.5	6.6	13.2	+0.2	Sales increase, mainly for ultra-compact products for major smartphone manufacturers.
Industrial equipment	4.4	3.6	4.8	8.4	+4.0	Sales increase significantly, mainly in AI data centers..
Special equipment[1]	1.7	0.7	1.4	2.1	+0.4	Sales for defense-related applications increase.
Optical products	1.4	0.8	0.8	1.6	+0.2	Sales increase, mainly for professional cameras.
Others	4.0	2.0	2.0	3.9	-0.1	–
Total	54.6	29.5	31.1	60.6	+6.0	

1:Special Equipment handles products for defense, space, and public wireless network applications.

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Operating Income: Analysis of Changes from FY2025

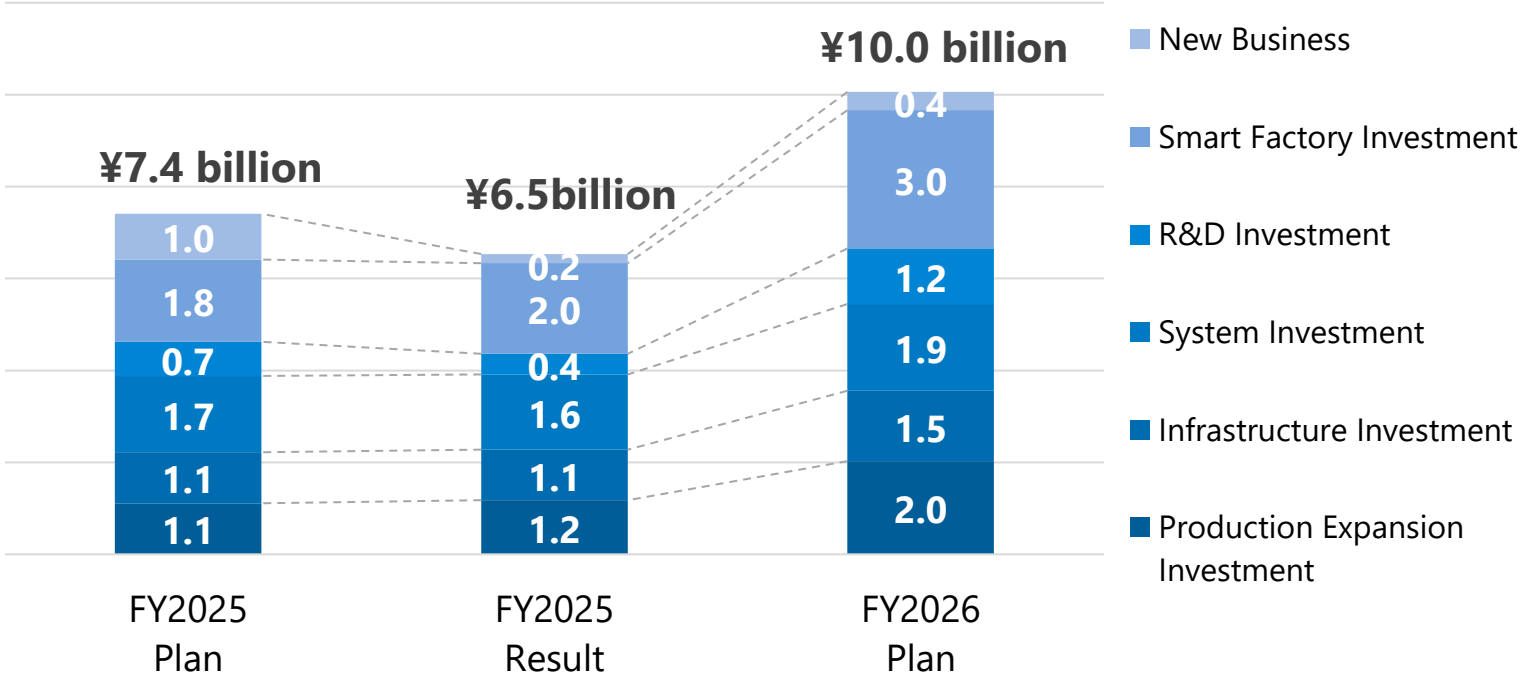
■ Although upfront investment expenses are expected to continue, operating income is forecast to increase, offset by higher sales.



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Capital Investment

- For FY2026, we plan to increase investments primarily in AI data centers, smart factory initiatives, and R&D.



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Medium-Term Management Plan: Four Key Initiatives

■ Building a management foundation focused on high profitability and capital efficiency

1. Development of high-value-added products and creation of new businesses

- ✓ Strengthening development of high-purity raw crystals and photolithography processing technology, which are our strength
- ✓ Strengthening IC development (AI-related applications, development of crystal oscillators and other devices for 5G smartphones)
  ⇒ Established a new development base in the UK

2. Dramatic expansion of productivity through DX promotion

- ✓ Smart factory transformation (3x productivity), streamlining of indirect departments

3. Efficient capital allocation (reallocation of management resources from automotive and mobile communications to growth/new areas)

- ✓ Fostering the third, fourth, and fifth pillars following automotive and mobile communications
  ⇒ Industrial equipment including AI-related (AI data servers, optical transceivers)
  ⇒ Defense and space, optical products (semiconductor manufacturing equipment)

4. Strengthening business foundation (ESG)

- ✓ Human resource development, CO_2 reduction, strengthening group governance

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Growth Strategy: “Five Pillars + One” Concept

■ Allocate management resources to growth areas.

Cash Generation Areas

Pillar1 Automotive Electronics

Pillar2 Mobile Communications

Building a structure that can handle with less fixed costs without compromising the quality of customer service

Cash Management Resources

Pillar3 Industrial Equipment — **AI** servers, optical transceivers

Pillar4 Special Equipment — **Defense,** space, semiconductor process

Pillar5 Optical Products — **Semiconductor** manufacturing equipment market

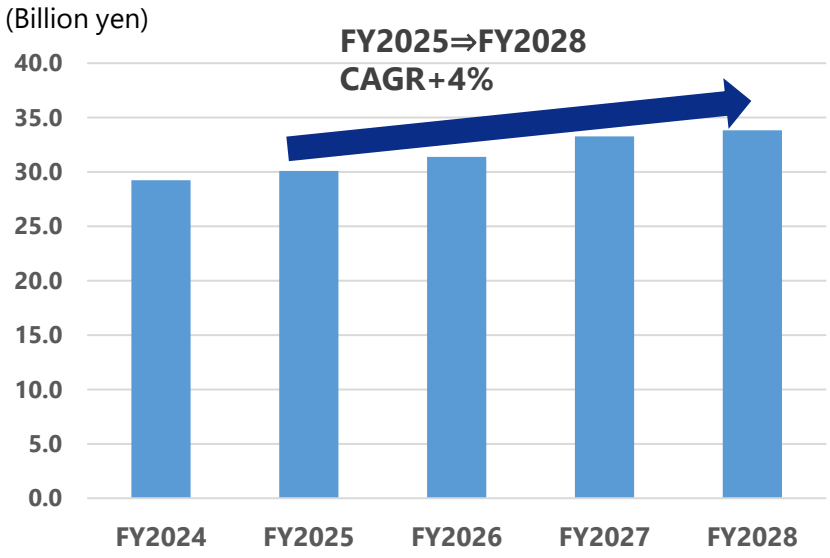
+One New Business — Business development of **Si-MEMS** resonators and oscillators etc.

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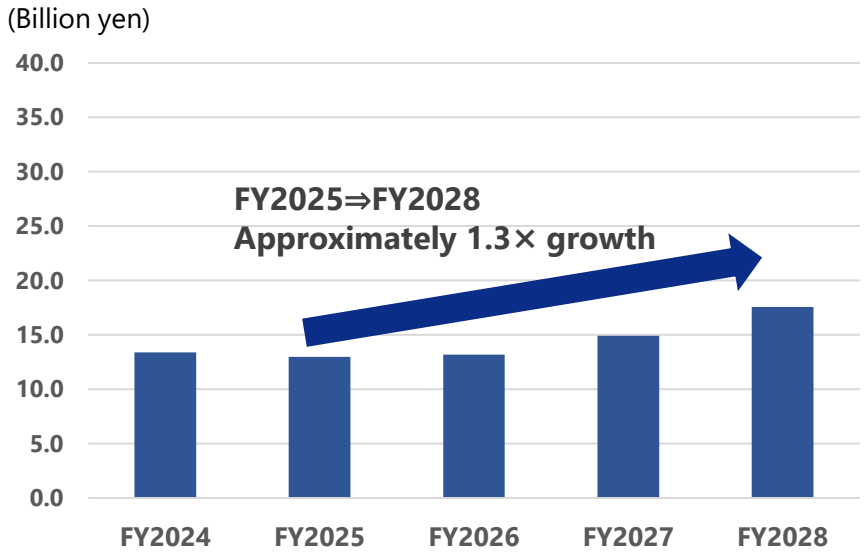
Cash Generation Areas (Automotive / Mobile Communications): Market Outlook

- Automotive applications: Sales are expected to remain solid, driven by the ongoing advancement and higher functionality of ADAS.
- Mobile communications applications: Profitability is expected to improve with new products for 5G smartphones, with sales scheduled to commence from FY2027.

Automotive Electronics Market Sales Trend



Mobile Communication/IoT Market Sales Trend

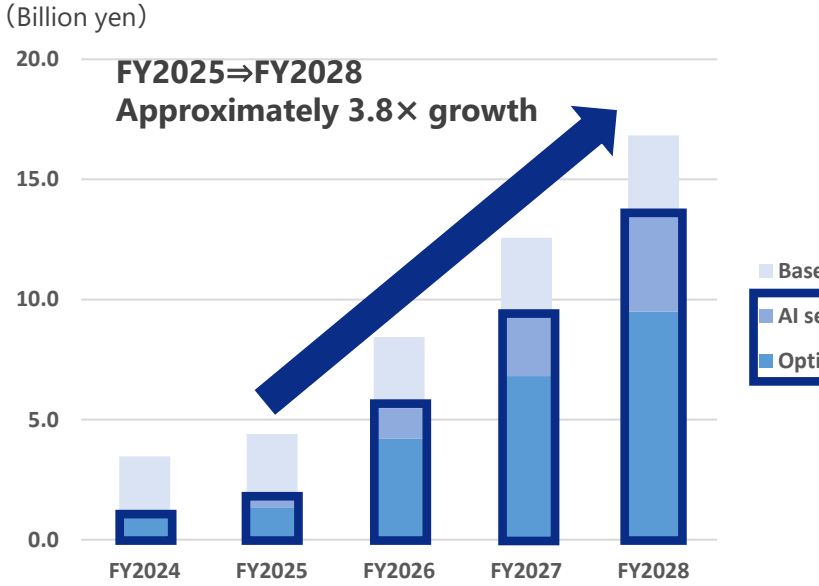


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Industrial Equipment Market Outlook

- Sales for industrial equipment are expected to expand by nearly fourfold from FY2025 to FY2028.
- The Company supplies products for AI servers and optical transceivers connecting servers.

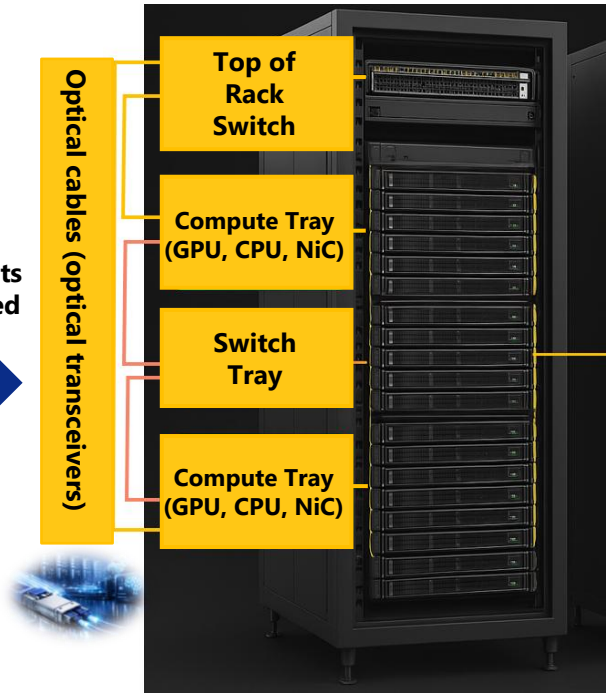
Industrial Equipment Market Sales Trend





NDK products supplied

AI server illustrative image

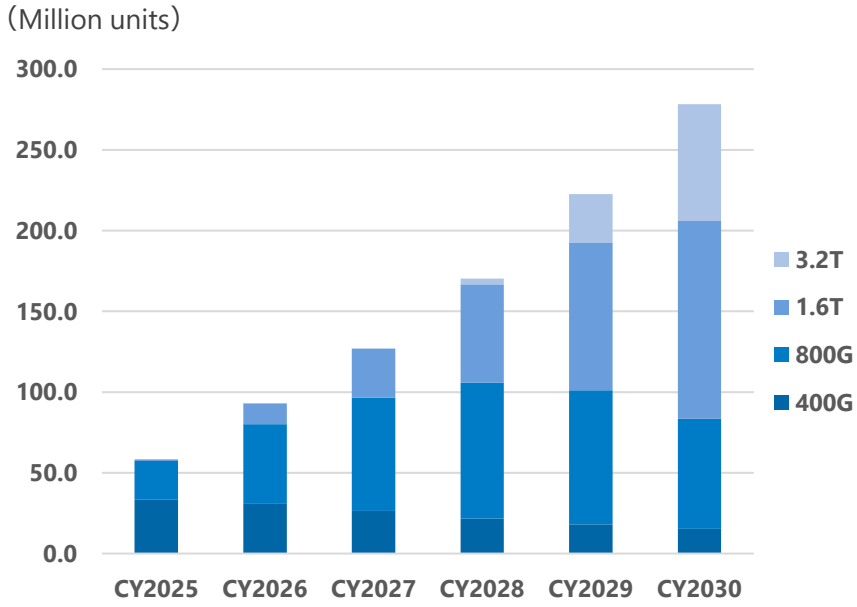


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Expanding Optical Transceiver and AI Server Markets

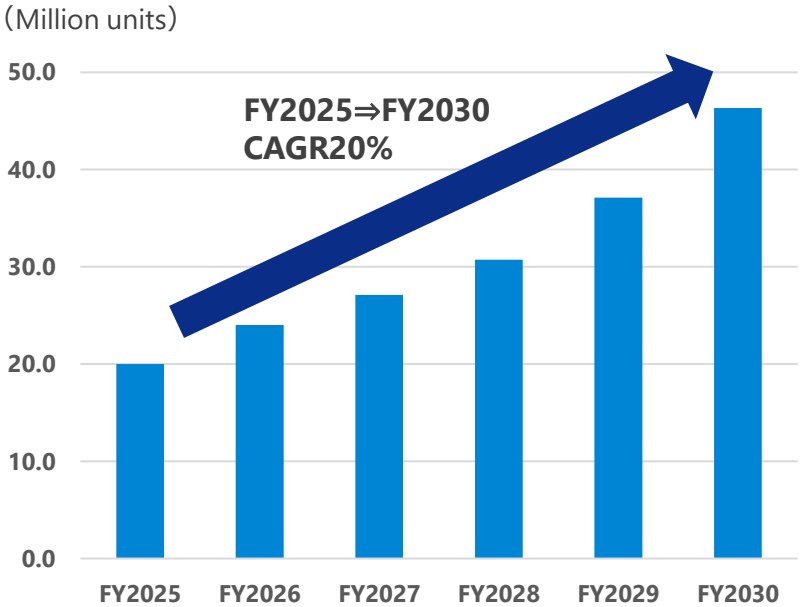
- In optical transceivers, 800G products represent the main volume segment.
- Demand for crystal devices for AI servers is expected to grow at a CAGR of around 20%.

Optical Transceiver Volume Forecast



Source: forecast by Lightcounting

Forecast of Crystal Demand for AI Servers



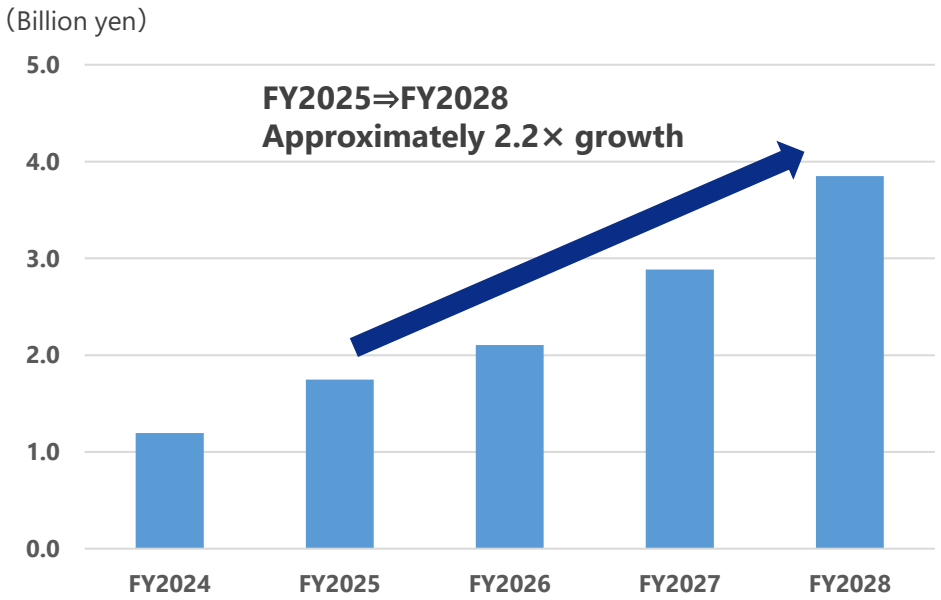
Source: Company estimates

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Special Equipment Market Outlook

- Strengthen sales of communication equipment for defense applications.
- Develop demand for QCM sensors for semiconductor manufacturing equipment.

Special Equipment Market Sales Trend



Communication equipment for defense applications (Illustrative image)



QCM Sensor

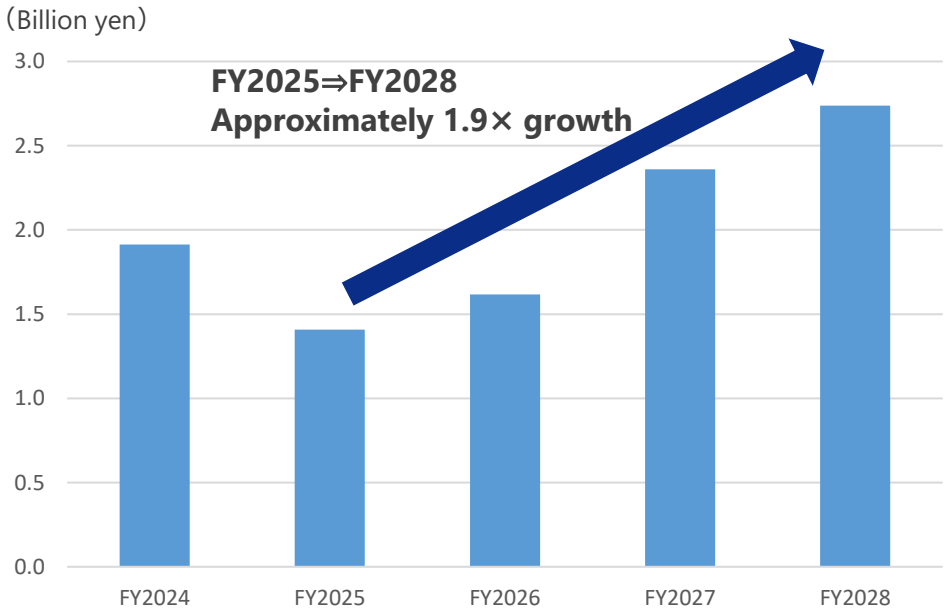


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Optical Products Market Outlook

- Leveraging quartz optical properties, supplying high-quality optical low-pass filters to imaging equipment manufacturers.
- Exploring new demand for semiconductor exposure and inspection equipment.

Optical Products Sales Trend



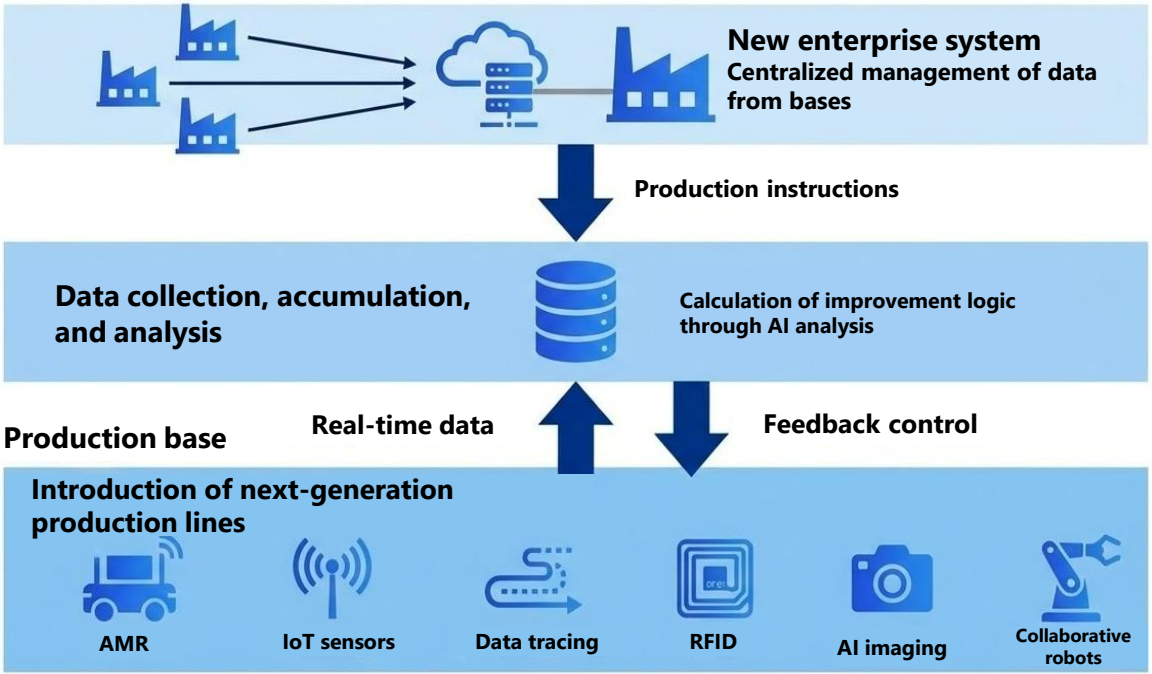
Quartz crystal waveplates for high-power lasers



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Transformation to Smart Factories

■ Promoting smart factory initiatives through next-generation production lines and DX.



New enterprise system

FY2025 Oct.～ New enterprise system launched
FY2026 Testing integration with production data

Factory automation/autonomy

FY2025 Introduced AI data analysis system
FY2026 Build AI analysis system

Decarbonization, GX

Power consumption of new lines at **one-quarter of existing lines** (on a production capacity basis)

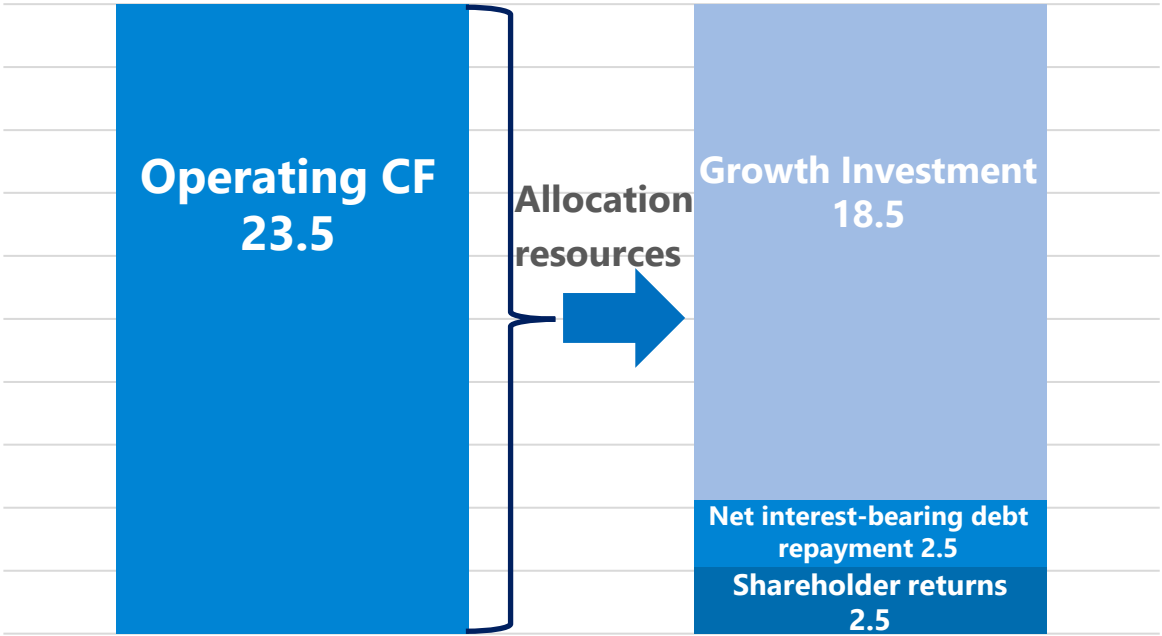
Replacing legacy production lines with next-generation lines by 2030
⇒ Expanding factory productivity by approximately 3×[1] through smart factory initiatives

[1]Approximately 3× vs. FY2023 by FY2030

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Capital Allocation

FY2025-FY2027 Cumulative Cash



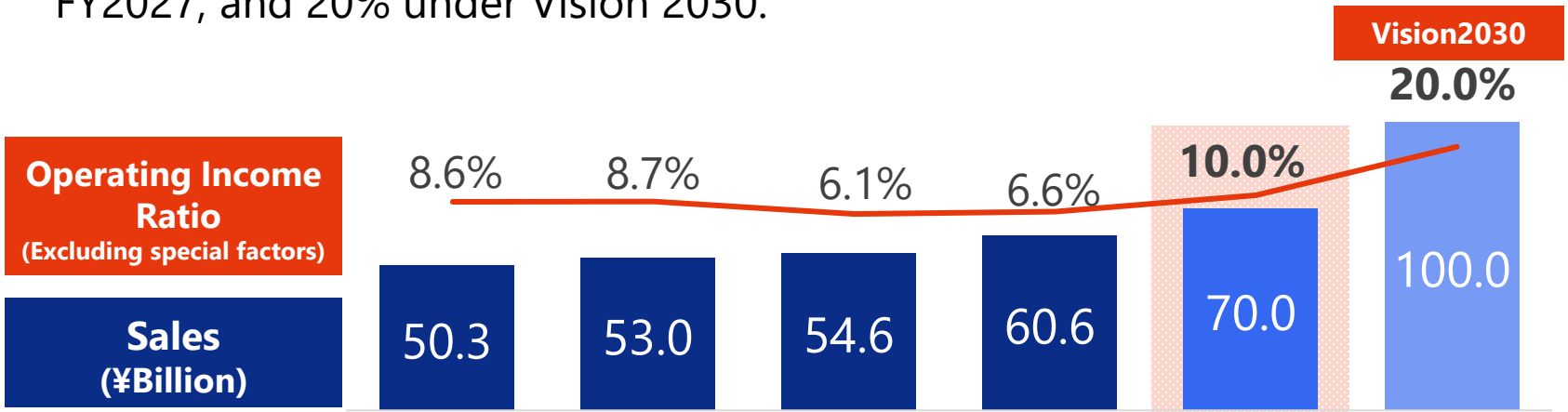
【Shareholder Return Policy】

- Enhance medium- to long-term corporate value and aim for stable dividend growth
- Allocate realized profits to high-value-added, high-quality product manufacturing and the strengthening of the Company's business foundation
- While maintaining a sound financial base, target a **DOE of 3.0% or higher in FY2027**

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Medium-Term Management Plan (FY2025-2027) Management Targets

■ Targeting net sales of ￥70.0 billion and an operating income ratio of 10% in FY2027, and 20% under Vision 2030.



	FY2023 Result	FY2024 Result	FY2025 Result	FY2026 Forecast	FY2027 Target
ROE	9.1%	6.3%	6.8%	7.2%	over 10%
ROIC	7.8%	7.7%	4.5%	5.4%	over 9%
Equity Ratio	41.4%	40.8%	41.8%	42.1%	46.0%
D/E Ratio	0.95	1.01	0.92	0.83	0.70

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Two highly defensible core technologies

Synthetic quartz growth technology

World-Class High-Purity Synthetic Quartz Growth

Achieving world-leading crystal growth quality. **Impurity concentrations in crystals are minimized to the utmost level**, which could otherwise hinder performance. Forming the foundation of all products, supporting quality, performance and reliability.

＜Related Wave Motion Technologies＞
- High-purity quartz crystal growth technology
- High-performance, high-quality materials



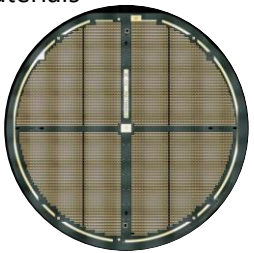
Ultra High Purity Synthetic Quartz Crystal "N-Grade EX"

Photolithography technology

Overwhelming Photolithography Capability with Industry-Leading 4-inch Wafers

Advanced processing technology using industry-leading 4-inch wafers. Equipment and process conditions—**from system configuration to process parameters—are independently designed and developed**, rather than using standard specifications.
This proprietary approach makes replication by competitors extremely difficult.

＜ Related Wave Motion Technologies＞
- High-quality thin-film deposition technology
- 3D submicron processing technology
- High-precision cutting and polishing technology for difficult-to-machine materials

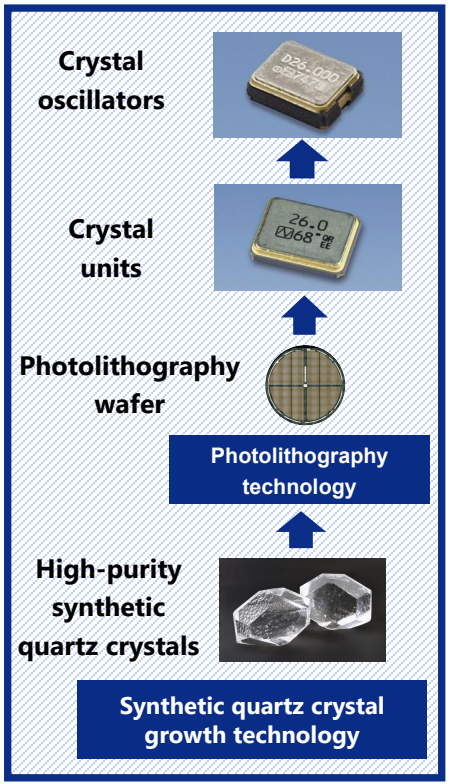


Wafer thickness as thin as a human hair (80 μm=0.008 cm), among the best in the industry

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Competitive Advantage: Automotive, Smartphones, AI Data Centers (Pillars 1, 2, 3)

■ Quartz crystal **generates high frequencies directly without multiplication**, suppressing noise at its source.
→ **As communication speeds increase, NDK's ability to produce the "source oscillation" becomes an ever-greater advantage.**



Synthetic quartz crystal growth technology

+

Photolithography technology

directly produce the high-frequency source oscillation

Automotive

High reliability and custom solutions

Smartphones

Ultra-compact and high-frequency

5G	→ 6G
76.8	→ 156.6 MHz
1.0 × 0.8	→ 0.8 × 0.6 mm

AI data centers

Ultra-low phase noise

800G →1.6T → 3.2T
156 → 312 → 625 MHz
(increasing by doubles)

PLL multiplication: ×n → Noise increases
Quartz crystal (NDK): High frequency generated directly at the source

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Strengthen In-House IC Development

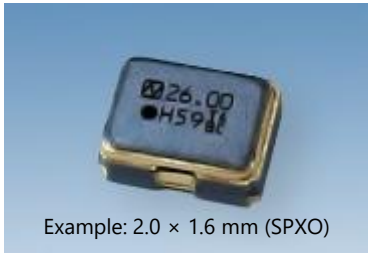
■ Demand for crystal oscillators (with embedded ICs) **is surging for AI data center applications**.

Three Benefits of In-House IC Development

Dramatically faster development cycles
Break free from the constraints of off-the-shelf ICs and deliver samples in a short period

Rapid response to customer requirements
IC-level optimization for niche, high-precision specifications

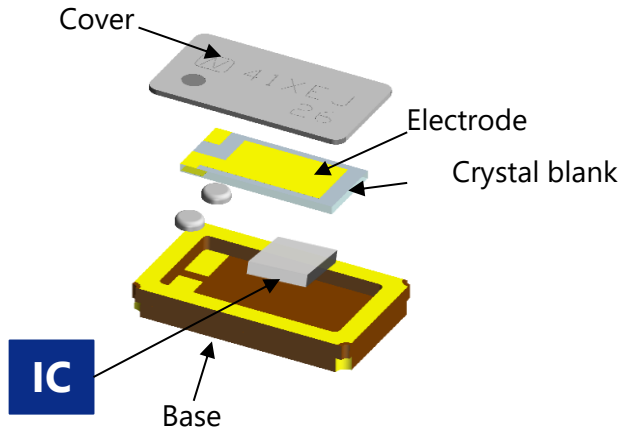
A high-margin business model
Achieve both lower procurement costs and higher added value



Example: 2.0 × 1.6 mm (SPXO)

Crystal Oscillators
SPXO: Differential Outputs Clock Crystal Oscillator
TCXO: Temperature-Compensated Crystal Oscillator
OCXO: Oven-Controlled Crystal Oscillator

Internal structure of a crystal oscillator



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Competitive Advantage: Defense & Space (Pillar 4)

■ The only company that can **develop and manufacture everything** from quartz crystals to communication equipment **entirely domestically.**



NDK's Competitive Advantage

- From raw materials to finished products. All in-house
- **Wireless technology** + **Digital signal technology** manufactured internally
- Strong demand for domestic sourcing in defense and space

Space — Real-time gas detection at the nanogram level

A technology originally developed for space applications, now being adapted for new markets

Semiconductor manufacturing — Detecting minute changes to stabilize processes and improve quality

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Competitive Advantage: Optical Products (Pillar 5)

■ **Applying** ultra-high-purity synthetic quartz crystal to **semiconductor applications**.



Quartz crystal wave plate for high-power lasers

- Driven by higher power and miniaturization
- Developing and selling optical components with **superior laser damage resistance**

Emerging Growth Area

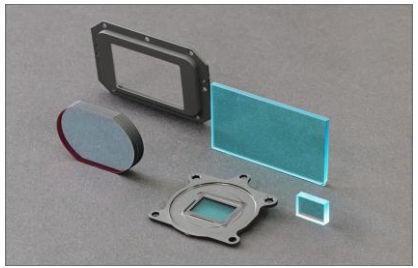
- **Lithography systems**
- **Semiconductor inspection equipment**

Synthetic quartz crystal growth technology + **Thin-film coating technology**



Ultra High Purity Synthetic Quartz Crystal "N-Grade EX"

The foundation of optical quality and durability



Optical low-pass filters

Stable Revenue Base

- **Professional cameras**

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New Business Development (+One)

Leverage core technologies to expand into +One domains

Development of Si-MEMS

Strategic investment to become a proposal-based timing device company — not a substitute for quartz, but “coexistence”

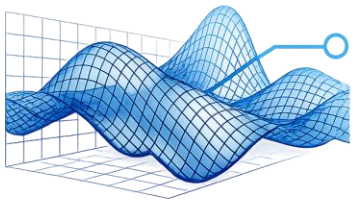
Dual wings: “High precision” with quartz, and “miniaturization / low frequency” with MEMS

- Coexistence of quartz and MEMS
- Complementing areas where quartz faces limitations
- MEMS addressing the ultra-compact, low-frequency IoT market

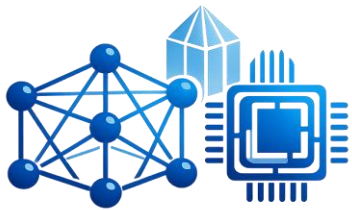
Multiple new initiatives are being advanced in parallel



High-precision timing synchronization



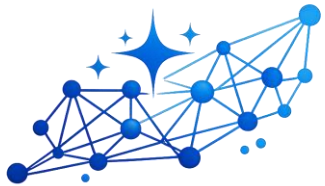
High-sensitivity sensing



New materials and processes



Healthcare domain



Next-generation investments, etc.

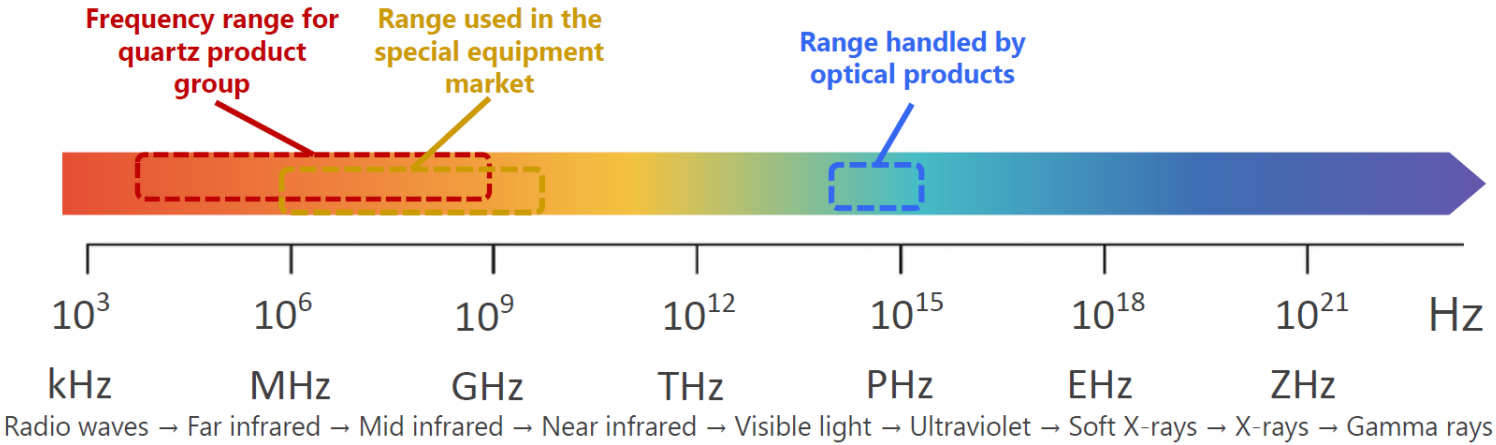
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Toward “Wave Motion Tech Moves Our Future!”

■ New Mission：Formulated in September 2025

Wave Motion Tech Moves Our Future!

- The kHz–GHz frequency range handled by NDK represents only a small portion of the wave spectrum in the world of light (wave motion).



Transforming into a solutions-based company that contributes to solving social issues, with wave technology as the foundation

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