The First Quarter Results for Fiscal 2026 (Ending March 31, 2027)

August 7th, 2026

Nihon Dempa Kogyo Co., Ltd.

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3. Industrial Equipment Applications: Mid-Term Revenue Outlook and Our Vision for ¥100 Billion in Net Sales

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Summary of Financial Results

- Sales and profit of 1Q (Apr.-Jun.) FY2026 increased YoY.
- Operating income increased QoQ, while income before income tax and below declined due to factors such as foreign exchange losses.

(Million yen)	① FY2025 1Q Result	FY2025 2Q Result	FY2025 3Q Result	② FY2025 4Q Result	③ FY2026 1Q Result	③-① YoY	③-② QoQ
Net Sales	12,720	13,966	13,192	14,749	15,324	+2,604	+575
Operating Income Operating Income Ratio	780 6.1%	650 4.7%	758 5.8%	1,165 7.9%	1,239 8.1%	+459 +2.0%	+74 +0.2%
Income before Income Tax	612	428	477	1,034	994	+382	-40
Net Income	471	330	287	976	777	+306	-199
Exchange Rate (against U.S. dollar)	145.33	147.96	154.85	155.91	160.38	+15.05	+4.47

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Net Sales by Application (YoY)

■ Net sales increased mainly driven by automotive and industrial equipment (mainly AI data centers).

(Billion yen)

	Net sales			Factors of increase/decrease
	FY2025 1Q	FY2026 1Q	YoY	
Automotive electronics	7.2	8.5	+1.3	Demand increased mainly for ADAS applications.
Mobile communications/IoT	3.0	3.2	+0.2	Sales for major smartphone manufacturers increased.
Industrial equipment	0.8	1.7	+0.9	Sales for AI servers and optical transceivers increased.
Special equipment[1]	0.3	0.2	-0.1	Reactionary decline as sales were concentrated in 4Q FY2025.
Optical products	0.4	0.4	+0.0	-
Others	1.0	1.3	+0.3	Sales for medical equipment and other applications increased.
Total	12.7	15.3	+2.6	

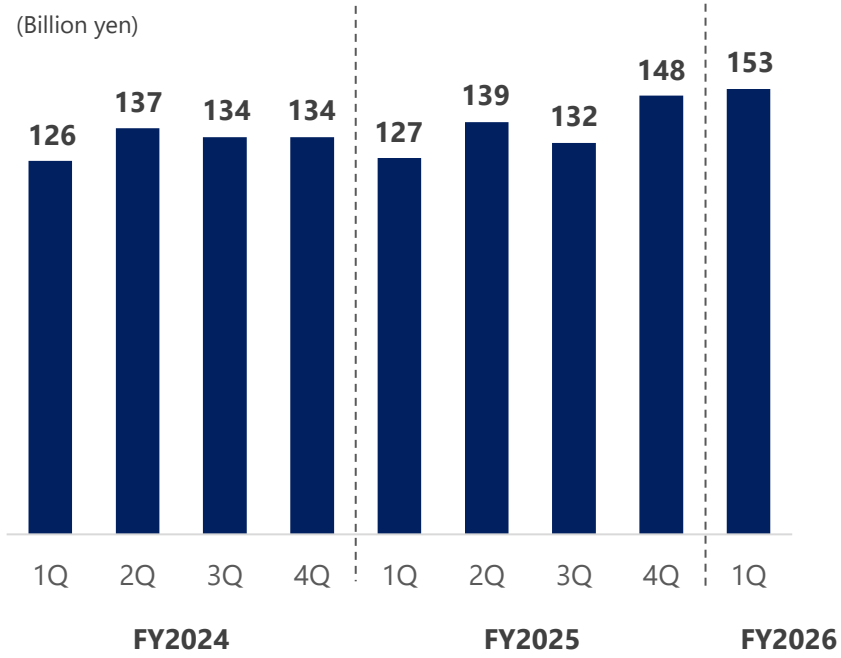
1:Special Equipment handles products for defense, space, and government and public wireless transmission.

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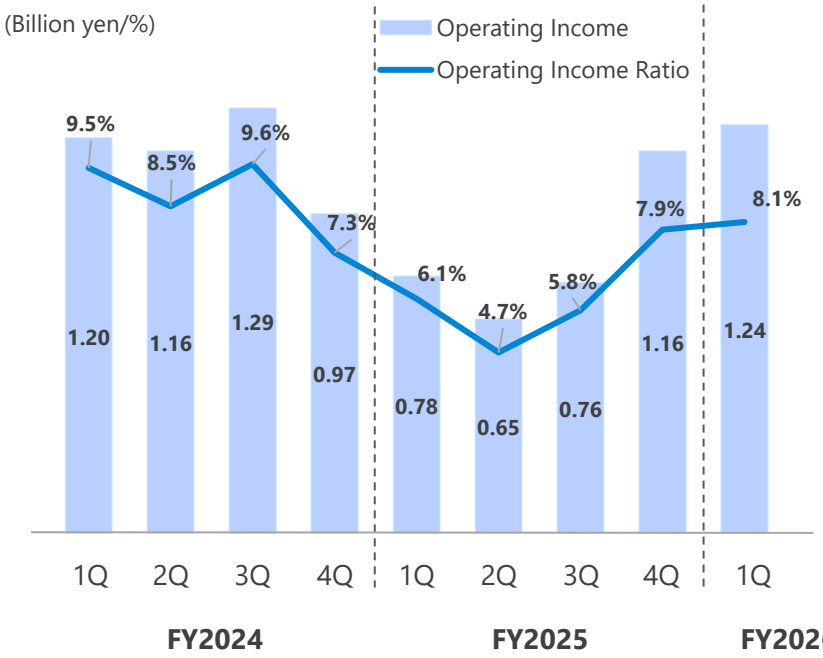
Financial Results (Quarterly)

■ Net sales and profit continued to increase in 1Q FY2026, following 4Q FY2025.

Net Sales



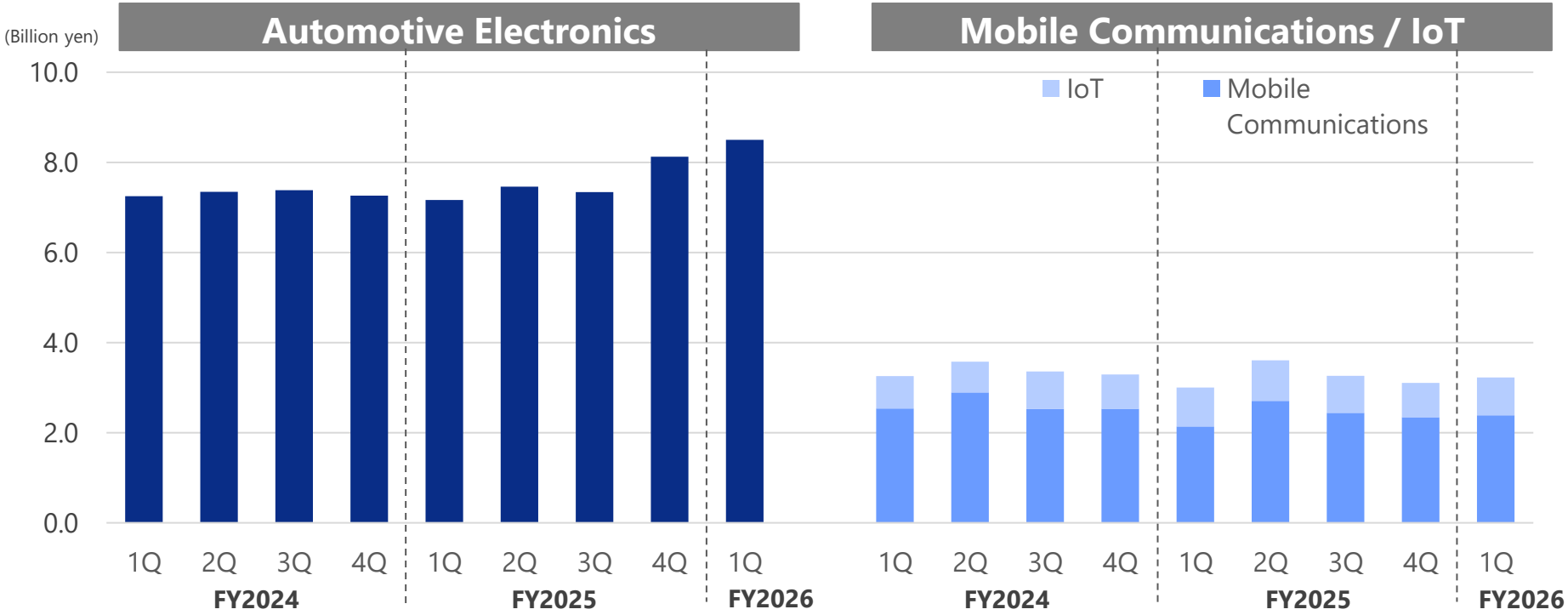
Operating Income



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Net Sales (Automotive Electronics, Mobile Communications / IoT)

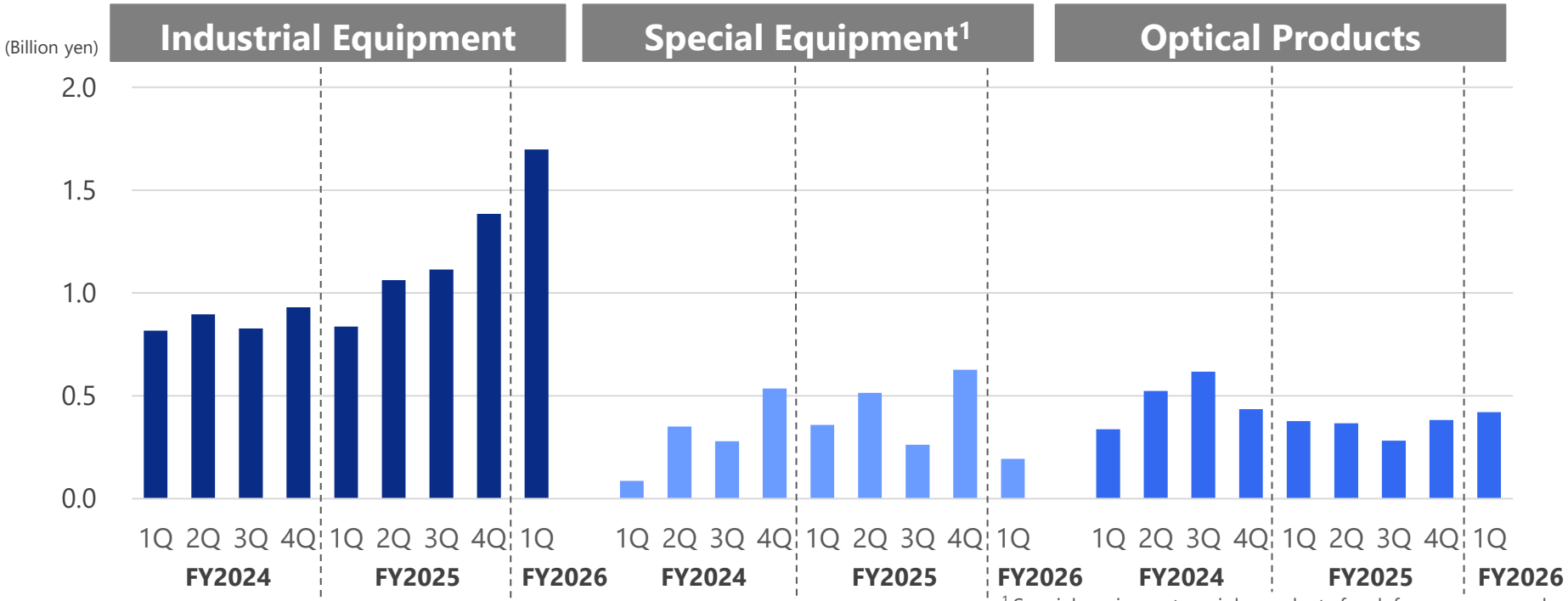
- Sales for automotive applications continued to increase in 1Q FY2026 and are presumed to have been boosted by pre-emptive inventory build-up demand from some customers.
- Sales for mobile/IoT applications also increased moderately.



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Net Sales (Industrial equipment, Special equipment, Optical products)

- Sales for industrial equipment applications continued to rise steadily, driven by AI data center demand.
- Sales for special equipment applications declined in 1Q FY2026, in reaction to sales concentrated in 4Q FY2025.
- Sales for optical applications rose moderately after bottoming out in 3Q FY2025.

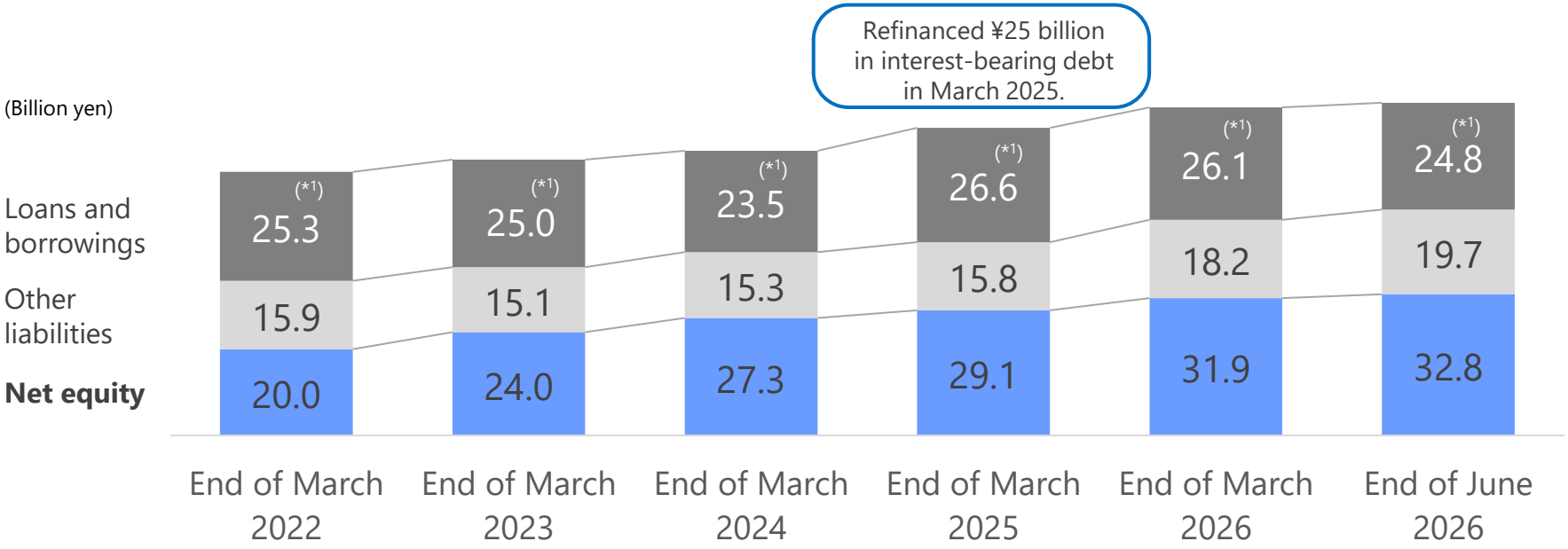


[1]:Special equipment: mainly products for defense, space, and government and public wireless transmission.

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Financial Position

■ Shareholders' equity ratio stood at 42.5% as of the end of June 2026.



	End of March 2022	End of March 2023	End of March 2024	End of March 2025	End of March 2026	End of June 2026
Shareholders equity ratio (Net equity ÷Total assets)	**32.7%**	**37.4%**	**41.4%**	**40.8%**	**41.8%**	**42.5%**
D/E ratio (Loans and borrowings ÷Net equity)	1.26	1.04	0.86	0.91	0.81	0.75

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

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Consolidated Financial Forecast - Upward Revision to Initial Forecast

- Increased demand for optical transceivers for AI data centers and automotive electronics products, as well as the depreciation of the yen, are expected to drive first-half results above the initial forecast, leading to an upward revision of the full-year financial forecast.

(Million yen)	FY2026 Initial Forecast (as of May 14)		FY2026 Forecast (as revised on August 7)		Change from Initial Forecast	
	1H Forecast	Full Year Forecast	1H Forecast	Full Year Forecast	1H	Full Year
Net Sales	**29,500**	**60,600**	**31,000**	**62,500**	**+1,500**	**+1,900**
Operating Income	**1,400**	**4,000**	**2,500**	**5,200**	**+1,100**	**+1,200**
Operating Income Ratio	**4.7%**	**6.6%**	**8.0%**	**8.3%**	**+3.3%**	**+1.7%**
Income before Income Tax	**900**	**3,100**	**2,000**	**4,300**	**+1,100**	**+1,200**
Net Income	**700**	**2,300**	**1,500**	**3,200**	**+800**	**+900**
Exchange Rate (against U.S. dollar) [1]	**150.00**	**150.00**	**160.00**	**157.50**	**+10.00**	**+7.50**

[1]:The assumed exchange rate for 2H FY2026 is USD 1 = JPY 155.00

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Financial Forecast (YoY)

- Full-year net sales are expected to increase by ¥7.8 billion (+14.4%) YoY.
- Full-year operating income is expected to increase by ¥1.8 billion (+55.0%) YoY, while continuing upfront investments.

(Million yen)	FY2025 Full Year Result	FY2026			YoY
		1H Forecast	2H Forecast	Full Year Forecast	
Net Sales	**54,629**	**31,000**	**31,500**	**62,500**	**+7,871**
Operating Income	**3,355**	**2,500**	**2,700**	**5,200**	**+1,845**
Operating Income Ratio	**6.1%**	**8.0%**	**8.5%**	**8.3%**	**+2.2%**
Income before Income Tax	**2,552**	**2,000**	**2,300**	**4,300**	**+1,748**
Net Income	**2,065**	**1,500**	**1,700**	**3,200**	**+1,135**
Exchange Rate (against U.S. dollar)	**151.01**	**160.00**	**155.00**	**157.50**	**+6.49**

Depreciation	**3,911**	**2,100**	**2,300**	**4,400**	**+489**
R&D Expenses	**2,830**	**1,700**	**1,900**	**3,600**	**+770**

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Net Sales by Application (Full Year Forecast)

■ Sales of products for AI data centers to drive significant revenue growth

(Billion yen)

	Net Sales					Factors of increase/decrease
	FY2025	FY2026 Forecast			YoY	
	Full Year	1H	2H	Full Year		
Automotive electronics	30.1	16.8	15.6	32.4	+2.3	Underlying demand continues to grow (pre-emptive inventory build-up demand continues through 1H)
Mobile communications/IoT	13.0	6.3	6.5	12.8	-0.2	Sales for smartphone manufacturers to decrease slightly
Industrial equipment	4.4	4.2	5.4	9.6	+5.2	Sales for AI data center increase significantly
Special equipment[1]	1.7	0.7	1.3	2.0	+0.3	Sales for defense-related applications increase
Optical products	1.4	0.7	0.8	1.5	+0.1	–
Others	4.0	2.2	1.9	4.1	+0.1	–
Total	54.6	31.0	31.5	62.5	+7.9	

[1]:Special equipment: mainly products for defense, space, and government and public wireless transmission.

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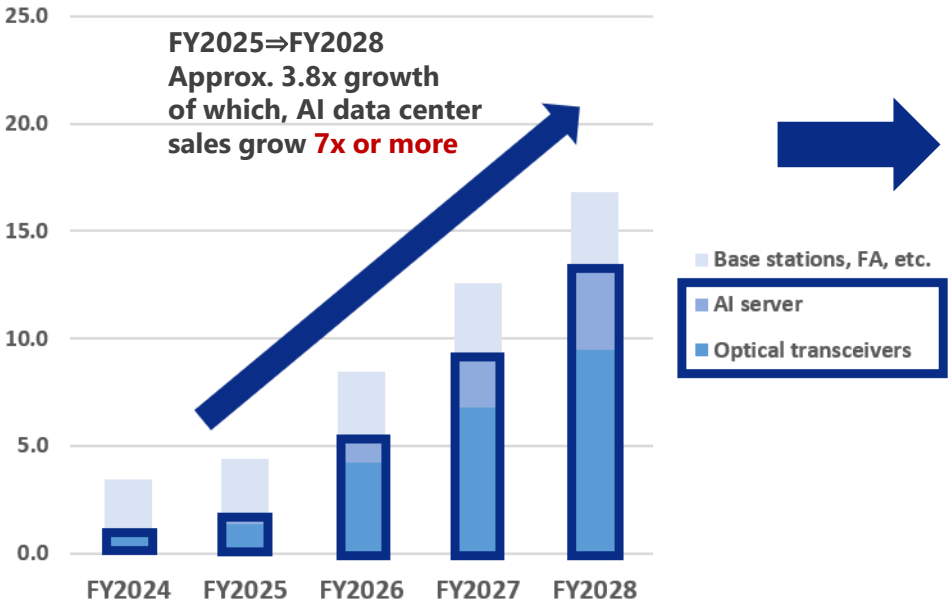
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Industrial Equipment Market: Mid-Term Sales Outlook

■ AI data center: mid-term sales outlook revised upward
⇒ Expand capacity for 1.6T applications (312.5MHz differential-output SPXO)

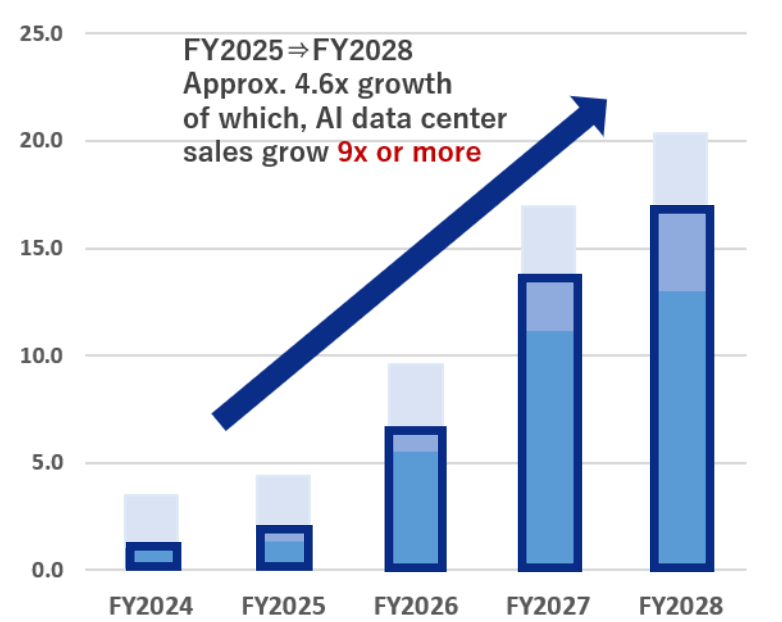
Industrial Equipment Market Sales Trend

As disclosed in May 2026



Industrial Equipment Market Sales Trend

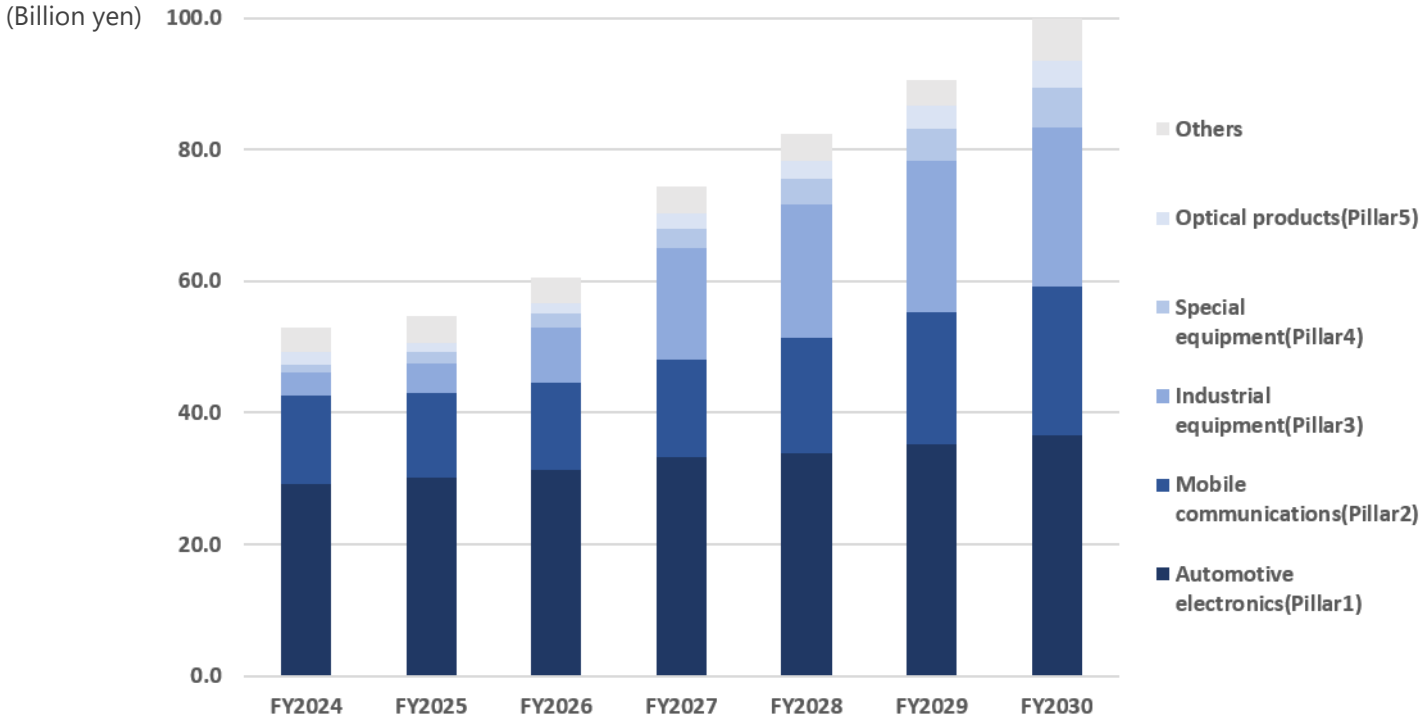
As disclosed in August 2026



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FY2030: Vision for ¥100 Billion in Net Sales

- Building on stable growth in automotive electronics, drive further growth through new product launches in mobile communications, expansion in industrial equipment centered on AI data centers, and capturing semiconductor-related demand in the special equipment and optical products fields.



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Wave Motion Tech Moves Our Future!

Note: Statements made in this presentation with respect to our current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about our future performance.
These statements are based on management's assumptions and beliefs in light of information currently available to it. We caution that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them.
You also should not rely on the belief that it is our obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Risks and uncertainties that might affect us include, but are not limited to, fluctuation of currency exchange rates, overall supply and customer demand in the industry, product development and production capacities, performance of affiliated companies, and other risks and uncertainties.

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