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NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces Extraordinary Losses and Revision of Forecast

Nihon Kohden announced today that the Company will post extraordinary losses accompanying payment of settlement in its financial results for the first quarter of FY2019 and, accordingly, revised its consolidated forecasts for the fiscal year ending March 31, 2020 from those announced on May 13, 2019.

1. Revision of Consolidated Forecast for 1st Half of FY2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen, %)

| | Net Sales | Operating Income | Ordinary Income | Income attributable to owners of parent | EPS |
|---|-----------------|------------------|-----------------|---|-------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecast (A) | 84,500 | 4,500 | 4,500 | 3,000 | 35.23 |
| Revised forecast (B) | 84,500 | 4,500 | 4,500 | 2,700 | 31.71 |
| Difference (B-A) | - | - | - | -300 | |
| Difference as percentage (%) | - | - | - | -10.0 | |
| (Reference) 1st half of FY2018 (ended September 30, 2018) | 79,050 | 4,260 | 5,270 | 3,916 | 45.99 |

2. Revision of Consolidated Forecast for FY2019 (From April 1, 2019 to March 31, 2020)

(Millions of yen, %)

| | Net Sales | Operating Income | Ordinary Income | Income attributable to owners of parent | EPS |
|---|-----------------|------------------|-----------------|---|--------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous forecast (A) | 186,000 | 16,000 | 16,000 | 11,000 | 129.17 |
| Revised forecast (B) | 186,000 | 16,000 | 16,000 | 10,700 | 125.65 |
| Difference (B-A) | - | - | - | -300 | |
| Difference as percentage (%) | - | - | - | -2.7 | |
| (Reference) FY2018 (ended March 31, 2019) | 178,799 | 15,044 | 15,867 | 11,191 | 131.43 |

3. Reasons for the Revision

As stated in Financial Results for FY2018 ended March 31, 2019, announced on May 13, 2019, an arbitration in labor issue had been brought to Nihon Kohden America, the Company's U.S. subsidiary. As a settlement on this matter has been reached on June 14 (U.S. local time), extraordinary losses accompanying payment of settlement of \$3.79 million (¥415 million, calculated on the assumption of ¥109.4/1 USD) will be recorded in its financial results for the first quarter of FY2019. Accordingly, the Company revised its forecasts for income attributable to owners of parent.

As the Settlement Agreement includes a confidentiality obligation, the details of the settlement will not be disclosed.

*The above estimates are based on information currently available and certain assumptions that the Company believes are reasonable. Therefore, they do not constitute a guarantee that they will be realized. Actual results may differ from such estimates due to unforeseen circumstances.