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NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces a Revision to its Forecast for Financial Results

Based on the results for the first half ended September 30, 2021 and recent performance trends, Nihon Kohden announces today a revision of its consolidated financial forecasts for the fiscal year ending March 31, 2022 from those announced on August 4, 2021.

1. Revision of Consolidated Financial Forecast for FY2021 (From April 1, 2021 to March 31, 2022)

	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)	190,500	18,000	18,000	12,000	141.68
Revised forecast (B)	201,000	25,500	25,500	17,500	206.58
Difference (B-A)	10,500	7,500	7,500	5,500	
Difference as percentage (%)	5.5	41.7	41.7	45.8	
(Reference) FY2020 (ended March 31, 2021)	199,727	27,094	28,374	18,243	214.21

2. Reasons for the Revision

As both domestic and overseas sales in the first half of FY2021 were higher than expected, the Company revised its full-year forecast for sales. In Japan, demand for patient monitors and ventilators exceeded the Company's expectation due to the resurgence of COVID-19 in the first half of FY2021. Demand for certain products recovered and business negotiations related to IT system solutions resumed. Accordingly, both sales of medical devices, and consumables and services, increased favorably. However, a reactionary decline is expected in the second half of FY2021 compared to the same period of the previous fiscal year when demand surged. Internationally, sales increased favorably in the first half of FY2021, as demand for certain products recovered from the decrease that occurred in the same period of the previous fiscal year. Other reasons for favorable sales were that the delivery of patient monitors in the U.S. was ahead of schedule and that demand for patient monitors exceeded the Company's expectations in Latin America, India, and Southeast Asia due to the resurgence of COVID-19. In the second half of FY2021, a reactionary decline is expected in some regions such as Europe and Latin America where demand surged in the same period of the previous fiscal year.

The Company also revised its forecast for income, because sales are expected to be higher than its previous forecast and the product mix will be favorable, even though there will be impacts from price increases for components and higher logistics costs. In view of its robust earnings in the first half of FY2021, the Company will strive to strengthen the core functions of its operation.

The earnings forecasts described above includes the impact of the spread of coronavirus variants, shortages of semiconductors, and delay in supply of components from Southeast Asia, based on information currently available to the Company at this moment. The Company continues to monitor the situation carefully and will immediately announce further revisions to its forecasts if necessary.

*The above estimates are based on information available on the date of this report's announcement. Actual results may differ from such estimates due to unforeseen circumstances.