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NIHON KOHDEN CORPORATION (6849)

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Nihon Kohden Announces a Revision to its Forecast for Financial Results

Nihon Kohden announced today a revision of its forecast for consolidated financial results for the fiscal year ending March 31, 2021 from those announced on May 13, 2020.

1. Revision of Consolidated Forecast for FY2020 (From April 1, 2020 to March 31, 2021)

	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)	180,000	14,000	14,000	10,000	117.43
Revised forecast (B)	184,000	16,500	16,500	11,000	129.15
Difference (B-A)	4,000	2,500	2,500	1,000	
Difference as percentage (%)	2.2	17.9	17.9	10.0	
(Reference) FY2019 (ended March 31, 2020)	185,007	15,503	14,846	9,854	115.72

2. Reasons for the Revision

The Company revised its forecast for FY2020, previously announced on May 13, 2020, because the first half result exceeded the Company's initial estimates, while the Company continues to see uncertainty related to the impact from the second wave of COVID-19.

The Company has revised its domestic sales forecast to ¥127,200 million (up ¥1,000 million from its previous forecast) and its overseas sales forecast to ¥56,800 million (up ¥3,000 million from its previous forecast) due to strong demand for ventilators. In the second half of FY2020, in Japan, the number of outpatients, testing and surgical procedures is expected to recover, but it will take time before a return to the previous levels. Domestic sales for the second half will recover because the Company resumed sales activities gradually. The government supplementary budget for supporting healthcare systems in the midst of the COVID-19 is also expected to be a positive factor. Internationally, the strong demand related to COVID-19 is expected to continue until the third quarter and generate a corresponding reactionary decline in the fourth quarter of FY2020.

In its long-term vision, BEACON 2030, Nihon Kohden Group aims to apply its core strength in Human Machine Interface technology and its clinical expertise with advanced digital technology driven by data so that the Company can create a better future for people and healthcare by solving global medical issues. In view of its robust earnings in the first half of the fiscal year, Nihon Kohden will undertake the strategic investments which are essential to realizing BEACON 2030; accelerating development of digital technology and enhancing the corporate IT infrastructure.

Because sales are expected to be higher than the previous forecast and gross profit margin will improve thanks to a favorable product mix, operating income, ordinary income and income attributable to owners of parent for FY2020 were also revised.

*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.