



March 10, 2022

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Representative: Hiromi Katoh, Representative Director and President
(Code 6779 Tokyo Stock Exchange, 1st Section)
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Re: Shelf Registration Statement regarding Issuance of New Shares and Disposal of Treasury Stock and Reduction of Amounts of Capital Stock and Legal Capital Surplus Concurrently with Issuance of New Shares

Nihon Dempa Kogyo Co., Ltd. (“NDK” or “we”) hereby announces that the Board of Directors of NDK, at its meeting held today, passed a resolution that NDK would file the shelf registration statement regarding issuance of new shares and disposal of treasury stock and reduce the amounts of the capital stock and the legal capital surplus concurrently with the issuance of new shares and transfer the reduced amount to other capital surplus (the “Reduction of Amount of Capital Stock, etc.”) and NDK has filed the shelf registration statement to the Kanto Finance Bureau as of today, March 10, 2022.

I. Shelf Registration Statement regarding Issuance of New Shares and Disposal of Treasury Stock

NDK has filed the shelf registration statement regarding issuance of new shares and disposal of treasury stock to the Kanto Finance Bureau as of today, March 10, 2022, as described below. Timing, issue (disposal) conditions, issue (disposal) total amount and use of proceeds with respect to the issuance of new shares and the disposal of treasury stock on the relevant shelf registration statement are to be determined.

1. Class of Securities to be offered	Shares of common stock of NDK
2. Scheduled Issue (Disposal) Period	For the period from the scheduled effective date of the shelf registration to the date that is 1 year after such scheduled effective date. (From March 18, 2022 to March 17, 2023)
3. Scheduled Issue (Disposal) Amount	Up to 5 billion yen

Note: This press release has been prepared for the purpose of announcing to the public certain matters relating to the filing of shelf registration statement regarding issuance of new shares and disposal of treasury stock and reduction of amounts of capital stock and legal capital surplus concurrently with issuance of new shares, and not for the purpose of soliciting investment within or outside Japan. In addition, this press release does not constitute an offer of investment to or a part of soliciting activities to purchase the common shares of NDK in the United States. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States. Estimates, expectations, forecasts, and other future information set out in this press release have been prepared based on the information that is available for NDK as of today and on certain assumptions and qualifications, and the actual financial performance or results might be substantially different from such future information contained in the material due to risk factors including domestic and global economic conditions.

4. Offering Method	To be determined
5. Use of Proceeds	Proceeds from an offering related to the shelf registration will be allocated to the capital expenditures and the working capital.

II. Reduction of Amounts of Capital Stock and Legal Capital Surplus Concurrently with Issuance of New Shares

1. Purpose of the Reduction of Amount of Capital Stock, etc.

For contemplating to maintain stable dividends after the Capital Increase (as defined below) and the acquisition of the Class A Shares, NDK decided, with respect to both the Capital Increase through Public Offering (as defined below) and the Capital Increase through Third-Party Allotment (as defined below), and in conjunction with the issuance of new shares, to reduce the full amounts in respect of the capital stock and legal capital surplus, respectively, which are to be increased by the issuance of new shares, and transfer such amounts to other capital surplus (the reduction of the amounts in respect of the capital stock and legal capital surplus which are to be increased by the Capital Increase through Public Offering shall be hereinafter referred to as the “Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Public Offering”; and the reduction of the amounts in respect of the capital stock and legal capital surplus which are to be increased by the Capital Increase through Third Party Allotment shall be hereinafter referred to as the “Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Third Party Allotment”).

The issuance of new shares through the public offering shall be hereinafter referred to as “Capital Increase through Public Offering”; and together with the disposal of treasury stock through the public offering, the “Capital Increase, etc. through Public Offering.” In addition, the issuance of new shares through a third party allotment in which the newly issued shares will be allotted to the lead underwriter for the Capital Increase, etc. through Public Offering (granting and exercise of the so-called Green Shoe Option) shall be hereinafter referred to as the “Capital Increase through Third-Party Allotment”; and together with the Capital Increase, etc. through Public Offering, the “Capital Increase.”

2. Detail of the Reduction of Amount of Capital Stock, etc.

(1) Amount of capital stock and legal capital surplus to be reduced

(i) Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Public Offering

Out of the amount of the capital stock increased by the Capital Increase through Public Offering, NDK will reduce 2.5 billion yen and will transfer the full

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amount to other capital surplus (provided, however, that the amount of the capital stock concurrently increased by the Capital Increase through Public Offering is below 2.5 billion yen, such amount will apply. Since such reduction is conducted within the limits of the amount to be increased by the issuance of new shares by the Capital Increase through Public Offering, the amount of capital stock after the effective date will not be below the capital stock before the effective date). In addition, out of the amount of the legal capital surplus increased by the Capital Increase through Public Offering, NDK will reduce 2.5 billion yen and will transfer the full amount to other capital surplus (provided, however, that the amount of the legal capital surplus concurrently increased by the Capital Increase through Public Offering is below 2.5 billion yen, such amount will apply. Since such reduction is conducted within the limits of the amount to be increased by the issuance of new shares by the Capital Increase through Public Offering, the amount of legal capital surplus after the effective date will not be below the legal capital surplus before the effective date).

(ii) Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Third Party Allotment

Out of the amount of the capital stock increased by the Capital Increase through Third Party Allotment, NDK will reduce 375 million yen and will transfer the full amount to other capital surplus (provided, however, that the amount of the capital stock concurrently increased by the Capital Increase through Third Party Allotment is below 375 million yen, such amount will apply. Since such reduction is conducted within the limits of the amount to be increased by the issuance of new shares by the Capital Increase through Third Party Allotment, the amount of capital stock after the effective date will not be below the capital stock before the effective date.)

In addition, out of the amount of the legal capital surplus increased by the Capital Increase through Third Party Allotment, NDK will reduce 375 million yen and will transfer the full amount to other capital surplus (provided, however, that the amount of the legal capital surplus concurrently increased by the Capital Increase through Third Party Allotment is below 375 million yen, such amount will apply. Since such reduction is conducted within the limits of the amount to be increased by the issuance of new shares by the Capital Increase through Third Party Allotment, the amount of legal capital surplus after the effective date will not be below the legal capital surplus before the effective date.)

(2) Method of reduction of amounts of capital stock and legal capital surplus

After implementing the reduction of the amounts of the capital stock and the legal capital surplus as stated above in accordance with the provisions of Article

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447, Paragraphs 1 and 3 and Article 448, Paragraphs 1 and 3 of the Companies Act, NDK will transfer the full amounts to other capital surplus, respectively.

3. Schedule for the Reduction of Amount of Capital Stock, etc.
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| Resolution of the Board of Directors on the Reduction of Amount of Capital Stock, etc. | March 10, 2022 |
| Public notice with respect to statements of objection by creditors (scheduled) | March 11, 2022 |
| Final deadline for statements of objection by creditors (scheduled) | April 11, 2022 |
| Effective date of the Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Public Offering (scheduled) | Any date until March 17, 2023 (provided, however, the same date as the payment date of the Capital Increase through Public Offering) |
| Effective date of the Reduction of Amount of Capital Stock, etc. corresponding to Capital Increase through Third Party Allotment (scheduled) | Any date until March 17, 2023 (provided, however, the same date as the payment date of the Capital Increase through Third Party Allotment) |

End

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