

Date: August 5, 2020

Company Name: Nihon Dempa Kogyo Co., Ltd.
Representative: Hiromi Katoh, Representative Director and President
Code: 6779, First Section of the Tokyo Stock Exchange
Contact: Michio Aoyama, Corporate Officer and General Manager of Administration Division
Tel: 03-5453-6711

Re: Completion of Payment With Respect to Issuance of Class Shares through Third-Party Allotment, and Reduction of Amounts of Capital Stock and Legal Capital Surplus

Nihon Dempa Kogyo Co., Ltd. (“NDK” or “we”) hereby announces that, as of today, the payment with respect to the issuance of the Class A Shares, which was announced in the notices “Re: Issuance of Class Shares through Third-Party Allotment, Reduction of Amounts of Capital Stock and Legal Capital Surplus and Appropriation of Surplus, Partial Amendments to the Articles of Incorporation, and Reduction of Amounts of Capital Stock and Legal Capital Surplus on Issuance of Class Shares” as of June 19, 2020, has been completed, and the Class A Shares have been issued. In addition, the Company also announces that, as a result of the above-mentioned payment, the conditions to the reduction of amounts of capital stock and legal capital surplus to be conducted as of October 1, 2020 as the effective date, which was announced in the above-mentioned notices, taking effect have been fulfilled.

I. Issuance of Class A Shares

1. Overview of Issuance of Class A Shares through Third-Party Allotment

(1) Payment Date	August 5, 2020
(2) Number of shares issued	5,000 shares of Class A Shares
(3) Issue price	1,000,000 yen per share
(4) Total issue price	5,000,000,000 yen
(5) Increase in capital stock and legal capital surplus	Capital stock 2,500,000,000 yen (500,000 yen per share) Legal capital surplus 2,500,000,000 yen (500,000 yen per share)
(6) Method of subscription or allotment (Allottee)	All of the Class A Shares were allotted to Japan Industrial Solutions Fund II through third-party allotment.

Mr. Eiketsu Tsuchiya, whose election of directors of NDK was approved at the 79th ordinary general meeting of shareholders held on July 31, 2020, has formally assumed his office upon the completion of payment with respect to the issuance of the Class A Shares.

2. Changes in Total Number of Issued Shares through Third Party Allotment and Amount of Capital Stock

	Total number of issued common shares	Total number of issued Class A Shares	Amount of Capital Stock
Before the issuance	20,757,905 Shares	0 Shares	5,596,291,657 yen
After the issuance	20,757,905 Shares	5,000 Shares	8,096,291,657 yen

II. Reduction of Amounts of Capital Stock and Legal Capital Surplus

As announced in the notices of “Re: Issuance of Class Shares through Third-Party Allotment, Reduction of Amounts of Capital Stock and Legal Capital Surplus and Appropriation of Surplus, Partial Amendments to the Articles of Incorporation, and Reduction of Amounts of Capital Stock and Legal Capital Surplus on Issuance of Class Shares” as of June 19, 2020, the reduction of amounts of capital stock and legal capital surplus to be conducted as of October 1, 2020 as the effective date, which was approved and adopted at the 79th ordinary general meeting of shareholders held on July 31, 2020, was subject to the condition that the payment with respect to the issuance of the Class A Shares be made, and such condition has been fulfilled as a result of the payment having been made. Therefore, the reduction of amounts of capital stock and legal capital surplus will take effect on October 1, 2020, as follows:

1. Reduction of Amount of Capital Stock and Increase of Amount of Other Capital Surplus

In accordance with the provisions of Article 447, Paragraph 1 of the Companies Act, the Company will reduce the amount of capital stock by 2,500,000,000 yen and transfer the entire amount of capital stock so reduced to other capital surplus.

2. Reduction of Amount of Legal Capital Surplus and Increase of Amount of Other Capital Surplus

In accordance with the provisions of Article 448, Paragraph 1 of the Companies Act, the Company will reduce the amount of legal capital surplus by 2,500,000,000 yen and transfer the entire amount of legal capital surplus so reduced to other capital surplus.

As a result of the effectuation of the reduction of amounts of capital stock and legal capital surplus, the amount of capital stock after such effectuation will be 5,596,291,657 yen, which is a decrease from the amount shown as the amount after the issuance in “2. Changes in Total Number of Issued Shares through Third Party Allotment and Amount of Capital Stock” of “I. Issuance of Class A Shares” above. In addition, the amounts of legal capital surplus and other capital surplus will be 0 yen and 7,849,087,924 yen, respectively.

End