



October 30, 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

Notice of the Completion of Transfer of Subsidiary (stock transfer)
and Posting of Other Operating Income
(Progress report on disclosure items)

Notice of the Transfer of Subsidiary (stock transfer)

Nihon Dempa Kogyo Co., Ltd. ("NDK") announced that it has transferred to SITO Microelectronics Technology (Shanghai) Co., Ltd., which is a subsidiary of Jiaxing Jiawang Investment Partnership (Limited Partnership), a portion of the shares of NDK SAW Devices Co., Ltd., a wholly owned subsidiary of NDK. The details of this transfer were announced in NDK's news release on June 3, 2020, "Notice of Transfer of Subsidiary (stock transfer)."

The details related to "Outline of the Company Receiving Stock Transfer" and "Stock Transfer Execution Date" have changed from that announced on June 3, 2020, and these changes are outlined below.

1. Change to Company Receiving Stock Transfer

In the announcement dated June 3, 2020, the actual company receiving the stock transfer (see note 1) was expected to be a newly established subsidiary of Jiaxing Jiawang Investment Partnership (Limited Partnership). NDK can now announce that SITO Microelectronics Technology (Shanghai) Co., Ltd. has been confirmed as the company receiving the stock transfer, a new subsidiary of Jiaxing Jiawang Investment Partnership (Limited Partnership).

① Company name	SITO Microelectronics Technology (Shanghai) Co., Ltd.
② Location	Room 328, Unit 2, No. 231 Shi Bo Cun Road, China (Shanghai) Pilot Free Trade Zone
③ Name of President	Yi Dai

④ Details of business	Microelectronics technology development, technical services, electronic component sales	
⑤ Date of establishment	June 23, 2020	
⑥ Major shareholders and shareholding ratio	Jiaxing Jiawang Investment Partnership (Limited Partnership) 83.33% Jiaxing Kuangda Lanchen Investment Partnership (Limited Partnership) 16.67%	
⑦ Relationship between NDK and the New Company	Capital Relationship	Not applicable
	Personnel relationship	Not applicable
	Transactional Relationship	Not applicable
	Applicable Relationships with Other Parties	Not applicable

(Note 1.)

Since the company receiving the stock transfer is an unlisted company some details have been omitted.

2. Change transfer dates

The underlined part has changed.

	Before change	After changes
Date of decision	June 3, 2020	June 3, 2020
Date of share transfer agreement	June 3, 2020	June 3, 2020
Stock transfer execution date	<u>August 31, 2020 (Planned)</u> <u>December 31, 2020</u> <u>(Planned)</u>	<u>October 30, 2020</u> <u>On January 1, 2021</u> <u>or later</u>

3. Other Operating Income

Due to the transfer of shares, NDK expects to record other operating income of 2.8 billion yen on a non-consolidated basis and 2.7 billion yen on a consolidated basis as a gain in sales of shares in the third quarter of the period ending March 31, 2021. As a result of the transfer, an unrealized profit may occur from the remaining shares held by NDK. The actual amount is now under review. The amount will be disclosed as soon as possible if necessary.

4. Outlook

Other operating income, outlined above, will be incorporated into the “Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021,” which is scheduled to be announced on November 10, 2020

End