

Notice Regarding the Establishment of a New Company

October 23, 2019

Company Name **Nihon Dempa Kogyo Co., Ltd.**
Representative **Hiromi Katoh, Representative Director and President**
(Code 6779 Tokyo Stock Exchange, 1st Section)
Person in charge **Michio Aoyama, Corporate Officer and General Manager of Administration Division**
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Nihon Dempa Kogyo Co., Ltd.("NDK") announces that we have determined to establish a new subsidiary in Suzhou City, Jiangsu Province, China.

1. Purpose

We announced on March 25, 2019 about the factory relocation of Suzhou NDK Co., Ltd. (Suzhou City, Jiangsu Province, China), one of our consolidated subsidiaries. In consultation with the Suzhou City government, we have decided to establish a new company, which will have the function to manage sales subsidiaries in China region. The production function will be transferred to the new company. The new company will also assume a role to manage commercial distribution and logistics in order to strengthen the function to capture market needs and deliver products much efficiently and stably.

2. Outline of the New Company

(1) Company Name	Suzhou NDK Co., Ltd.
(2) Location	No 855 of Zhujiang Road, Gaoxin District, Suzhou, Jiangsu Province, China 215011
(3) President Name	Nobumitsu Fujiwara (to be fixed)
(4) Details of Business	Production and sales of Crystal Oscillators, Crystal Units etc.
(5) Capital	US\$20,000 thousand (JPY 2,168 million. Calculated at the exchange rate of 1 US\$ = 108.41 JPY as of October 23, 2019)
(6) Date of Establishment	November, 2019 (to be fixed)
(7) Investment Ratio	100% owned by NDK
(8) Relationship between NDK and the New Company	
Capital Relationship	The new company will be a 100% subsidiary of NDK.
Personnel Relationship	NDK will send its officers to the new company.
Transaction Relationship	The new company will manufacture and sell NDK products.

3. Future Outlook

We are in the process of analyzing potential impact on our consolidated financial results for the year ending March 31, 2020. If there are any significant findings to be disclosed, we will announce immediately.

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