



June 19, 2020

Japan Industrial Solutions Co., Ltd.

JIS TO INVEST IN CLASS-A SHARES ISSUED BY NIHON DEMPA KOGYO CO., LTD.

Japan Industrial Solutions (“JIS”) announced today that JIS has entered into an agreement to invest in 5,000 Class-A shares (5 billion yen) issued through third-party allotment by Nihon Dempa Kogyo Co., Ltd. (TSE 1st Section: 6779, “NDK”), through Japan Industrial Solutions Fund II.

Nihon Dempa Kogyo is a world’s leading manufacturer operating globally specializing in crystal devices application sectors, including global top market share in automotive industry application.

In FY2018, NDK launched structural reformations aiming to improve production efficiency and cost competitiveness in select target markets, and in FY2019, NDK undertook realignment of its production flow, including the transfer of manufacturing operations in plants. However, impact of a prolonged U.S.-China trade friction has limited the improvement from such business reformations, and in November 2019, NDK has decided to implement additional structural reforms.

JIS highly value NDK’s profound design engineering and industry-leading manufacturing technology acquired through in-depth understanding of crystals, their foresight in building global sales network in automotive industry devices ahead of competitors, and their commitment to quality backed by its long track record.

JIS has entered into an underwriting agreement with NDK as a result of through in-depth discussions of their medium-term management plan. JIS supports their view on preparing for rising demands in Advanced Driver Assistance Systems (ADAS) and high-end crystal devices responding to the establishment of 5G communication system infrastructure, etc. and that they are the most important business sectors going forward.

Investment in Class-A shares is subject to approval of the issuance in the NDK’s Annual



General Shareholders Meeting as well as other conditions pertaining to the issuance of the Class-A shares.

JIS is committed to supporting the execution of NDK's strategy for its sustainable growth as a leading global crystal device manufacture through offering solutions that will lead to corporate value growth and their market advantage.