

Kanadevia Started Considering Business Integration with NIPPON STEEL ENGINEERING – Watch Consequence and Reflect in Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement that Kanadevia corporation (security code: 7004) has started considering the business integration with NIPPON STEEL ENGINEERING CO., LTD. (security code: -).

- (1) On February 5, Kanadevia Corporation (the "Company") announced that it has started considering the business integration with NIPPON STEEL ENGINEERING CO., LTD. ("NIPPON STEEL ENGINEERING") to be taken place in April 2027. The discussion will be advanced based on the outline that the Company will be the company surviving the absorption-type merger and NIPPON STEEL ENGINEERING will be the company absorbed in the absorption-type merger in principle. There is a possibility, depending on the share allotment ratio to be decided later, the integrated company will become either a listed affiliate or a listed subsidiary of NIPPON STEEL CORPORATION (long-term issuer rating: AA / Outlook: Stable).
- (2) Both companies have a wealth of track record of delivering core waste treatment plant, and where the business integration becomes materialized, strengthening the business foundation can be expected. Furthermore, considering the financial standing of NIPPON STEEL ENGINEERING, it is highly likely that financial soundness will be maintained after the business integration. That said, terms of the business integration and others will be the matters to be determined later, and final shareholder composition, impact on the business performance and financials cannot be foreseen at present. JCR will keep an eye on the consequence of the business integration and reflect the outcome in the rating.

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<Reference>

Issuer: Kanadevia Corporation

Long-term Issuer Rating: A- Outlook: Stable

Issuer: NIPPON STEEL ENGINEERING CO., LTD.

Long-term Issuer Rating: #AA-/Negative

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