

## **NIPPON CHEMI-CON's Recording of Extraordinary Loss— Negative Impact on Rating; Future Performance and Financial Directions Need to be Carefully Examined**

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcement of the “Settlement of a U.S. Class Action Lawsuit and Posting an Extraordinary Loss” by NIPPON CHEMI-CON CORPORATION (security code: 6997).

- (1) NIPPON CHEMI-CON CORPORATION (the “Company”) announced today that it has decided to settle a class action lawsuit in the U.S. with the plaintiffs and plans to record a settlement payment of USD 160 million (approximately 18 billion yen) as an extraordinary loss in the fiscal year ending March 2022. In this case, the Company was sued for damages for violations of U.S. antitrust laws, etc. in connection with transactions of aluminum electrolytic capacitors, one of its main products, and others. The settlement will be formally effective after the process of court approval. The Company says that it is currently examining the impact of this case on its business performance, and will disclose it as soon as it becomes available.
- (2) Although the Company's business performance has been already recovering, the amount of loss is large in light of the Company's equity capital of 55.7 billion yen as of the end of September 2021. There will be a cash outflow from the settlement payment in the future. JCR will confirm the future directions of the Company's business performance and financials, as well as the financing policy with respect to this case, and reflect them in the rating.

Shigenobu Tonomura, Hiroaki Sekiguchi

### <Reference>

Issuer: NIPPON CHEMI-CON CORPORATION

Long-term Issuer Rating: BBB      Outlook: Negative

### **Japan Credit Rating Agency, Ltd.**

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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