

## NEC Capital Solutions Forms Business Alliance with SBI Shinsei Bank Group—JCR Will Focus on Future Synergy Effects and Other Developments

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the partial acquisition by SBI Shinsei Bank, Limited (security code: -) of NEC Capital Solutions Limited (security code: 8793) from its major shareholders and the basic agreement on the business alliance between NEC Capital Solutions Limited and SBI Shinsei Bank Group.

- (1) Today, NEC Corporation (NEC) and Sumitomo Mitsui Finance and Leasing Company, Limited, the major shareholders of NEC Capital Solutions (the Company), agreed that SBI Shinsei Bank will acquire the Company's shares held by them, and the Company, SBI Shinsei Bank and Showa Leasing Co., Ltd., a wholly owned subsidiary of SBI Shinsei Bank, concluded a basic agreement on their business alliance. As a result, SBI Shinsei Bank will replace NEC as the largest shareholder of the Company, and the Company will become an equity method affiliate of SBI Shinsei Bank.
- (2) The Company's rating is "A" based on the NEC Group's creditworthiness equivalent of "A+" because of the NEC Group's high degree of control and involvement and also managerial importance of the Company to the NEC Group. Approximately 60% of the Company's lease transactions are those through NEC's sales channels mainly for the information and communication related, and many factoring transactions are also NEC-related transactions. The Company's firm name will remain unchanged, and even after this share transfer, the Company will continue to collaborate and cooperate with NEC in the provision of leasing, rental, financing, and related services related to NEC's products, systems, and services. For the Company, availability of the SBI Shinsei Bank Group's customer base and financial functions can provide significant room for collaboration to expand its customer base and earnings opportunities. On the other hand, the change in major shareholders is expected to result in a significant change in the financial support structure for the Company going forward, but this is not clear at this time.
- (3) JCR will assess the degree of control and involvement of the SBI Shinsei Bank Group in the Company and the Company's managerial importance to the Group, as well as the impact of synergies with the SBI Shinsei Bank Group on the Company's independent creditworthiness evaluation, and will incorporate these evaluations in the rating.

Atsushi Kato, Kei Aoki

### <Reference>

Issuer: NEC Capital Solutions Limited

Long-term Issuer Rating: A      Outlook: Stable

Issuer: NEC Corporation

Long-term Issuer Rating: A+      Outlook: Stable

Issuer: SBI Shinsei Bank, Limited

Long-term Issuer Rating: A      Outlook: Stable

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