26-D-0803
September 25, 2026

NIPPON CHEMI-CON Announces Judgment Rendered Against Its Singapore Subsidiary—Impact on Future Performance and Finances Will Be Closely Watched

The following is Japan Credit Rating Agency, Ltd. (JCR)’s opinion on the press release titled “Notice Concerning Judgment Rendered in Singapore Against Our Singapore Subsidiary” by NIPPON CHEMI-CON CORPORATION (security code: 6997).

(1) NIPPON CHEMI-CON CORPORATION (the “Company”) announced on September 24 that, with respect to the lawsuit filed against its Singapore subsidiary (the “Subsidiary”) by Dyson Manufacturing Sdn. Bhd., the Singapore International Commercial Court has rendered a judgment ordering the Subsidiary to make a payment. As a result, the Subsidiary is now liable to pay GBP 92.7 million (approximately JPY 19.3 billion). In addition, the amount of the Claimant’s legal fees, pre-judgment interest and other costs are expected to be determined going forward, within a range of GBP 3.1 million (approximately JPY 0.6 billion). In response, the Subsidiary has expressed its intention to consider filing an appeal. The Company is currently reviewing the extraordinary loss based on the judgment and the impact of the judgment on its financial results and will promptly disclose information once the outlook becomes clear. In this lawsuit, the Claimant was seeking the payment of damages, alleging that an increase in the defect rate of certain products of the Claimant’s group manufactured from June 2022 onward is attributable to components purchased from the Subsidiary.

(2) While the Company’s core business is now trending to improve, the payment liability mentioned above is substantial in light of such factors as the equity capital of 60.5 billion yen as of the end of the first quarter of the fiscal year ending March 2027. The amount of impact on overall performance in monetary terms is uncertain as of now but may adversely affect the financial base. As such, JCR will closely watch the outcome of this case, the final amount of losses, the Company’s funding measures, impact on overall performance and finances, etc. to be reflected in the future rating decisions.

Hiroaki Sekiguchi, Seiya Nagayasu

<Reference>
Issuer: NIPPON CHEMI-CON CORPORATION
Long-term Issuer Rating: BBB- Outlook: Stable

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