



NEWS RELEASE

Sep 16, 2021

R&I Affirms A-/a-1, Stable: NEC Capital Solutions Ltd.

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: NEC Capital Solutions Ltd.

Issuer Rating: A-, Affirmed

Rating Outlook: Stable

Commercial Paper: a-1, Affirmed

RATIONALE:

NEC Capital Solutions Ltd. is a leasing company affiliated with the NEC Group. Of total operating assets, the leasing business, the finance business, and the investment business performed primarily by a subsidiary RISA Partners, Inc. account for approximately 60%, 30% and 10%, respectively. The company is notable for its variety of businesses with different characteristics in terms of operations and risks.

The core leasing business has shown steady performance. Operating assets are growing thanks to the stability of cooperation with the NEC Group and commercial distribution business as well as the capture of ICT demand spurred under the COVID-19 pandemic circumstances. Although earnings from the investment business fluctuate depending on sales of its holdings in investment funds, its profit contribution is rising due partly to almost full amortization of goodwill in FY2020 (the year ended March 2021).

The company's risk resilience is at a comfortable level for the rating. Asset quality is relatively sound, as the government and municipal offices as well as large companies with low credit risk account for around half of borrowers for the company's services.

Although expenses are at a slightly high level, the company's earning capacity is commensurate with the A rating category. In accordance with its medium-term plan, NEC Capital Solutions aims to achieve 7.5 billion yen in net profit in FY2022, the final year of the plan. R&I will observe whether the company can enhance its earning capacity further through growth of existing businesses and new earnings sources.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc." and "Leasing". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER: NEC Capital Solutions Ltd. (Sec. Code: 8793)

Issuer Rating

RATING: A-, Affirmed

RATING OUTLOOK: Stable

Shelf Registration (Bonds)

ISSUE AMOUNT (mn): JPY 100,000

ISSUE PERIOD: From Jun 19, 2020 to Jun 18, 2022

RATING: A-, Affirmed (Preliminary)

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Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

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Unsec. Str. Bonds No.6	Issue Date Mar 05, 2015	Maturity Date Mar 04, 2022	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.10	Issue Date Mar 07, 2017	Maturity Date Mar 07, 2022	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.11	Issue Date Jul 14, 2017	Maturity Date Jul 14, 2022	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.12	Issue Date Dec 08, 2017	Maturity Date Dec 08, 2022	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.13	Issue Date Jul 13, 2018	Maturity Date Jul 13, 2023	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.14	Issue Date Jul 13, 2018	Maturity Date Jul 13, 2028	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.15	Issue Date Dec 07, 2018	Maturity Date Dec 07, 2023	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.16	Issue Date Jul 12, 2019	Maturity Date Jul 12, 2024	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		
Unsec. Str. Bonds No.17	Issue Date Oct 21, 2019	Maturity Date Oct 21, 2022	Issue Amount (mn) JPY 10,000
RATING:	A-, Affirmed		

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Unsec. Str. Bonds No.18	Issue Date Nov 27, 2020	Maturity Date Nov 27, 2030	Issue Amount (mn) JPY 10,000
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RATING: **A-, Affirmed**

Unsec. Str. Bonds No.19	Issue Date Jul 16, 2021	Maturity Date Jul 16, 2026	Issue Amount (mn) JPY 10,000
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RATING: **A-, Affirmed**

ISSUE LIMIT (mn):	Commercial Paper JPY 350,000
SUPPORT:	Unsecured
RATING:	a-1, Affirmed

A preliminary rating is assigned when a provisional credit rating is needed for an individual obligation on which final terms have not been determined. A credit rating finally assigned may differ from the preliminary rating depending on, among others, the details of the actual contract of the individual obligation.

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