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3rd UPDATE: Notice Regarding Malfunction of Electrical Equipment in the US Plant

Nippon Denkai, Ltd. (TSE:5759) announces the latest status of a malfunction of electrical equipment in the US plant.

1. Date of Occurrence
   June 13, 2023 approximately 2:30 p.m. EDT

2. Location of Occurrence
   Denkai America Inc., Camden Plant (Camden, South Carolina, USA)

3. Status of Restoration
   As reported in the previous update, the repair of one of the two rectifiers was completed on July 8, and operations have resumed. For the other unit, which had been previously reported to be repaired in October or later at the earliest, will be delivered to the Camden Plant around the end of November.

4. Cause of the Malfunction and Future Countermeasure
   The malfunction was presumably caused by a lightning strike which resulted in a failure of the transformer. Denkai America Inc. has replaced the damaged equipment as well as upgraded sensors of the control system after the incidents. Denkai America Inc. will prepare additional replacement parts that will take a longer time to acquire and thus minimize future downtime in the event of another emergency.

5. Future Outlook
   The impact of this incident on the consolidated business results for FY2023 is still under evaluation based on the recovery schedule. In the case of any matters that should be disclosed, we will make an announcement as soon as possible.
   To recover the loss resulting from the incident, we will ramp up the volume of production and sales.