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May 24, 2024

To whom it may concern

Company: Nitta Corporation
Representative: Yasunori Ishikiriyama, President
Code: 5186; Prime Market, Tokyo Stock Exchange
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Notice of Changes in the Petition for Arbitration against Nitta Corporation

As disclosed in a timely manner in the “Notice of Petition for Arbitration against Nitta Corporation” dated January 20, 2023, Gates Corporation (“Gates”) and Gates Canada, Inc. (“Gates Canada”) filed an arbitration against Nitta Corporation (“Nitta”). Gates has now re-filed a petition for arbitration with modified content, dated May 17, 2024, as outlined below.

1. The Date arbitration was re-filed with modified content: May 17, 2024

2. Details and background of the re-filed arbitration

In the January 17, 2023 petition, Gates and Gates Canada claimed that Nitta violated the provisions of the shareholders’ agreements between Nitta and Gates, which govern six joint ventures between Nitta and Gates (the “Joint Ventures”), including Gates Unitta Asia Company (“GUA”), as well as the technology cooperation agreement among Gates, Gates Canada and GUA, a joint venture company. The arbitration clauses in the shareholders’ agreements stipulate that the arbitration shall be conducted under the arbitration rules of the London Court of International Arbitration (“LCIA”) seated in Honolulu, Hawaii, the U.S., while the arbitration clause in the technology cooperation agreement stipulates that the arbitration shall be conducted under the arbitration rules of the American Arbitration Association (“AAA”) seated in Denver, Colorado, the U.S. Gates and Gates Canada demanded compensation for damages in the amount of 458 million U.S. dollars and the termination of the joint venture agreements and claimed that the arbitration should be conducted in Denver, under the arbitration rules of the AAA, based on the arbitration clause of the technology cooperation agreement.

In response to Nitta’s objection to the arbitration being conducted under the arbitration rules of the AAA based on the arbitration clause of the technology cooperation agreement, Gates communicated its intentions to accede to Nitta’s objection. Following consultations between Nitta and Gates, on May 17, 2024, Gates re-filed a petition for arbitration under the arbitration rules of the LCIA seated in Honolulu, Hawaii, the U.S., based on the arbitration clauses of the abovementioned shareholders’ agreements (In this re-filed petition, the damages claimed have been increased to 475 million U.S. dollars due to the passing of time). Accordingly, the arbitration filed by Gates and Gates Canada on January 17, 2023 under the arbitration rules of the AAA is to be terminated.

3. Summary of petitioner for arbitration

Name: Gates Corporation

Location: 1144 15th Street, Denver, Colorado

4. Future outlook

As with the petition filed on January 17, 2023, Nitta categorically rejects the claims of Gates in this re-filed petition, which we believe are entirely inconsistent with our understanding of the circumstances.

Accordingly, we plan to provide an appropriate fact-based response during the course of the upcoming arbitration proceedings. In addition, we consider the growth and succession of the Joint Ventures to be matters of the utmost importance and plan to continue our unchanged cooperation in the business operations of the Joint Ventures.

We will promptly announce future developments to be disclosed, if any.