

Nojima to Acquire Shares of a New Company in Home Appliance Business to Be Established by Hitachi GLS— No Immediate Impact on the Rating, Impacts on Future Business Results and Finances Will Be Closely Watched

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the acquisition of shares by Nojima Corporation (security code: 7419) in a new company to be established by Hitachi Global Life Solutions, Inc.

- (1) Nojima Corporation (the "Company") announced on April 21 that it will acquire, through a special purpose company it manages, 80.1% of the issued shares of a new company, which will be established by Hitachi Global Life Solutions, Inc. ("Hitachi GLS") to transfer the home appliance business Hitachi GLS operates (the "New Company"), and make the New Company into a subsidiary (the "Share Acquisition"). The Share Acquisition is scheduled to be executed by the end of the fiscal year ending March 2027 for 110.1 billion yen. Through the Share Acquisition, the Company will fuse its own and the Hitachi Group's strengths and build a unique business model that integrates everything from product development to after-sales services.
- (2) While future prospects for the New Company's assets, liabilities, business results, etc. are uncertain, the Share Acquisition will be one of the largest acquisitions in the Company's history, suggesting that this will give rise to a certain level of financial burden. However, JCR has concluded that there is no immediate need to review the Company's rating at this point, in light of such factors as the Company's robust performance, growth in equity capital with profit accumulation and a certain degree of liquidity on hand. Looking ahead, close attention will be paid to business operations after the Share Acquisition, impacts on business results and finances and so forth.

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<Reference>

Issuer: Nojima Corporation

Long-term Issuer Rating: A Outlook: Stable

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