

Hulic Announces Commencement of Tender Offer for Common Shares of Raysum—No Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on Hulic Co., Ltd. (security code: 3003)'s acquisition of common shares of Raysum Co., Ltd. (security code: 8890) through a tender offer.

- (1) Hulic Co., Ltd. (the "Company") announced that its Board of Directors resolved today to acquire common shares of Raysum Co., Ltd., which are listed on the Tokyo Stock Exchange Standard Market, through a tender offer. As a part of this transaction, the Company has agreed with RS Company Ltd., a subsidiary of Oasis Management Company Ltd., that the Company will acquire the shares of Rays Company (Hong Kong) Limited, which owns 63.88% of Raysum's shares, and others. The Company plans to make Raysum a wholly owned subsidiary through a series of transactions, including the tender offer.
- (2) If the Company makes Raysum a wholly owned subsidiary through this tender offer and other transactions, it will have to bear a certain financial burdens, such as an increase in interest-bearing debt. However, the Company has been strengthening to date its financial base by increasing its equity capital through accumulation of net income and by implementing hybrid financing, while it has been aggressively making investments. The Company's awareness of financial discipline is high, and JCR believes that it will be able to maintain its financial control in the future. Therefore, JCR judges that there is no need to immediately change the rating as a result of the tender offer and other transactions this time. JCR will follow the status of realization of synergy effects in the future.

Mikiya Kubota, Takeshi Rikawa

<Reference>

Issuer: Hulic Co., Ltd.

Long-term Issuer Rating: AA- Outlook: Stable

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