



February 28, 2025

To All Parties Concerned

Company Name	Hulic Co., Ltd.
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**Notice regarding Determination of Terms and Conditions of
Subordinated Bonds to be Issued through Public Offering**

Hulic Co., Ltd. (the “Company”) hereby announces that it has determined the terms and conditions of its publicly offered subordinated bonds^(Note 1) (the “Hybrid Bonds”) set forth in the announcement dated January 30, 2025 as follows.

	7 th series unsecured subordinated bonds with optional interest deferral and early redemption clauses
(1) Total issue amount	60 billion yen
(2) Initial interest rate	2.102% per annum ^(Note2)
(3) Issue date	March 6, 2025
(4) Maturity date	March 6, 2060
(5) Early redemption (Note 3)	The Company may redeem the Hybrid Bonds at its discretion on March 6, 2030 or any interest payment date thereafter
(6) Interest payment date	March 6 and September 6 of each year (If the date falls on a bank’s holiday, the bank business day immediately prior to the interest payment date)
(7) Interest deferral clause	The Company may, at its discretion, defer all or part of its interest payment
(8) Subordination	The Hybrid Bonds shall be subordinated to the Company’s total general indebtedness and shall be senior to the Company’s common stock
(9) Offering method	Public offering in Japan (mainly for institutional investors)
(10) Credit rating	A (Japan Credit Rating Agency Ltd.)

Note: The purpose of this press release is to make a general public announcement concerning the issuance of the subordinated bonds by Hulic Co., Ltd. through public offering in Japan. It has not been prepared for the purpose of offer of, or solicitation of an offer to buy or subscribe for, securities of Hulic Co., Ltd. The above-mentioned securities will not be or have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements thereunder.

(11) Equity credit	Middle level/50% (Japan Credit Rating Agency Ltd.)
(12) Underwriters	Mizuho Securities Co., Ltd. (lead manager), Daiwa Securities Co. Ltd. (co-lead manager), Nomura Securities Co., Ltd. (co-lead manager), SMBC Nikko Securities Inc. (co-lead manager), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (co-lead manager)

(Note 1) The legal nature of the Hybrid Bonds is a financial liability, and therefore, the issuance of the Hybrid Bonds will not result in dilution of existing shares.

(Note 2) The fixed interest rate will be applied from the day immediately following March 6, 2025 to March 6, 2030, and the floating interest rate will be applied on and after the day immediately following March 6, 2030 (A step-up coupon provision is applicable on and after March 7, 2030).

(Note 3) The Company intends to refinance the Hybrid Bonds by any financial products to which Japan Credit Rating Agency Ltd. is to assign an equity credit equal to or higher than that of the Hybrid Bonds upon early redemption or retirement by purchase of the Hybrid Bonds.

However, the Company may refrain from such refinancing if it satisfies both of the following conditions.

1. Adjusted debt to equity ratio calculated based on the consolidated balance sheet is 3.00 times or less; and
2. The amount of consolidated shareholders' equity recorded on the consolidated balance sheet has increased by 30 billion yen or more compared to the amount as of December 31, 2024.

The "adjusted debt to equity ratio" refers to the value obtained by the formula of: the interest-bearing debt recorded on the consolidated balance sheet less the valuation of equity content of the remaining subordinated debts after early redemptions, etc. of the Hybrid Bonds, divided by the sum of shareholders equity recorded on the consolidated balance sheet and the valuation of equity content of the remaining subordinated debts after early redemptions, etc. of the Hybrid Bonds.

The "consolidated shareholders' equity" refers to the amount of total net assets recorded on the consolidated balance sheet less the amount of stock options and non-controlling interests recorded on the consolidated balance sheet.

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