



July 2, 2025

To All Parties Concerned

Company Name	Hulic Co., Ltd.
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Notice on Completion of Replacement of Existing Hybrid Finance with Subordinated Bonds and Subordinated Loans

Hulic Co., Ltd. (the “**Company**”) hereby announces that, with respect to the financing through subordinated loans announced on January 30, 2025 (the “**Loans**”), it has signed and executed the loan agreements as follows.

Consequently, the planned replacement of the existing hybrid finance (total amount of JPY120 billion) announced on January 30, 2025 has been completed with the financing through the subordinated bonds (JPY60 billion, the “**Bonds**”) and the Loans (JPY60 billion). For details of the Bonds, please refer to the press release dated February 28, 2025.

1. Characteristics of the Loans

The Loans are positioned between debt and equity. While they are classified as a financial liability and will not cause dilution of the existing equity shares, they have characteristics similar to equity due to their terms and conditions including an option to defer interest payments, super-long maturity and subordination in liquidation and bankruptcy proceedings. Therefore, 50% of the funds raised through the Loans have been recognized as equity by a rating agency (Japan Credit Rating Agency, Ltd.).

2. Overview of the Loans

	The 5 th series subordinated loan	The 6 th series subordinated loan
(1) Loan amount	JPY40 billion	JPY20 billion
(2) Contract date	March 28, 2025	
(3) Execution date	June 26, 2025	
(4) Maturity date	June 26, 2062 However, the Company may prepay all or part of the principal of the Loans on any interest payment date on or after June 26, 2032 ^(Note)	
(5) Interest deferral clause	The Company may, at its discretion, defer all or part of its interest payment	
(6) Subordination	The Loans shall be subordinated to general indebtedness in liquidation proceedings, bankruptcy proceedings, corporate reorganization proceedings and civil rehabilitation proceedings against the Company and any other equivalent proceedings under the laws of other jurisdictions outside Japan. Any provisions stipulated in the agreements on the Loans shall not be amended in any manner that may cause disadvantages for any creditors of the Company other than the	

	creditors of the subordinated indebtedness (any subordinated indebtedness having substantially the same subordination conditions as the Loans)
(7) Equity credit	Middle level/50% (Japan Credit Rating Agency Ltd.)

(Note) If the Company prepays the 5th series subordinated loan and the 6th series subordinated loan, it intends to refinance the 5th series subordinated loan and the 6th series subordinated loan with any financial products to which Japan Credit Rating Agency Ltd. is to assign an equity credit equal to or higher than that of the 5th series subordinated loan and the 6th series subordinated loan. 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 equity has increased by at least the amount equivalent to 50% of the amount of raised funds compared to the amount of consolidated equity 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 the prepayment of the 5th series subordinated loan and the 6th series subordinated loan, divided by the sum of equity recorded on the consolidated balance sheet and the valuation of equity content of the remaining subordinated debts after the prepayment of the 5th series subordinated loan and the 6th series subordinated loan.

The "Consolidated 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.

3. Notice on Early Redemption

The Company hereby announces as follows that it has made the early redemption of the 2nd series of subordinated bonds in full amount today, on July 2, 2025, which falls on the first optional early redemption date.

(1) Name	The 2 nd series of unsecured subordinated bonds with optional interest deferral and early redemption clauses
(2) Early redemption date	July 2, 2025
(3) Early redemption amount	JPY120 billion
(4) Early redemption events	The Company redeemed the bonds early on the first optional early redemption date of July 2, 2025, pursuant to the early redemption clause

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Note: The purpose of this press release is to make a general public announcement concerning Hulic Co., Ltd.'s hybrid loan (subordinated loan) financing. It has not been prepared for the purpose of offer of, or solicitation of an offer to buy or subscribe for, Hulic's securities.