



October 13, 2022

To All Parties Concerned

Company Name: Hulic Co., Ltd.  
(TSE Prime Market,  
securities code 3003)  
Representative: Takaya Maeda  
President, Representative Director  
Inquiries: Shin Ito  
Executive Managing Officer,  
Head of Corporate Communications &  
Investor Relations Dept.  
Phone: +81-3-5623-8102

### Notice regarding Determination of Terms and Conditions of Subordinated Bonds to be Issued through Public Offering

TOKYO, October 13, 2022 – Hulic Co., Ltd. (“Hulic” or the “Company”) hereby announces that it has determined the terms and conditions of its publicly offered subordinated bonds <sup>(Note 1)</sup> (the “Hybrid Bonds”) set forth in the announcement dated July 28, 2022 as follows.

	5 <sup>th</sup> series unsecured subordinated bonds with optional interest deferral and early redemption clauses	6 <sup>th</sup> series unsecured subordinated bonds with optional interest deferral and early redemption clauses
(1) Total issue amount	46 billion yen	30 billion yen
(2) Initial interest rate	1.435% per annum <sup>(Note 2)</sup>	1.849% per annum <sup>(Note 3)</sup>
(3) Issue date	October 19, 2022	
(4) Maturity date	October 19, 2057	October 19, 2062
(5) Early redemption (Note 4)	Hulic may redeem the Hybrid Bonds at its discretion on October 19, 2027 or any interest payment date thereafter	Hulic may redeem the Hybrid Bonds at its discretion on October 19, 2032 or any interest payment date thereafter
(6) Interest payment date	April 19 and October 19 of each year (If the date falls on a bank’s holiday, the bank business day immediately prior to the interest	

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.

	payment date.)
(7) Interest deferral clause	Hulic may, at its discretion, defer all or part of its interest payment
(8) Subordination	The Hybrid Bonds shall be subordinated to Hulic's total general indebtedness and shall be senior to Hulic's common stock.
(9) Offering method	Public offering in Japan (mainly for institutional investors)
(10) Credit rating	A (Japan Credit Rating Agency Ltd.)
(11) Equity credit	Middle level/50% (Japan Credit Rating Agency Ltd.)
(12) Underwriters	Mizuho Securities Co., Ltd. (lead manager), Nomura Securities Co., Ltd. (co-lead manager), Daiwa Securities Co., Ltd. (co-lead manager), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (syndicate)

(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 October 19, 2022 to October 19, 2027, and the floating interest rate will be applied on and after the day immediately following October 19, 2027 (A step-up coupon provision is applicable on October 20, 2027)

(Note 3) The fixed interest rate will be applied from the day immediately following October 19, 2022 to October 19, 2032, and the floating interest rate will be applied on and after the day immediately following October 19, 2032 (A step-up coupon provision is applicable on October 20, 2032)

(Note 4) Hulic 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 of the Hybrid Bonds.

However, Hulic 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 23 billion yen or more for the fifth series bonds and by 15 billion yen or more for the sixth series bonds compared to the amount as of June 30, 2022.

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 sheets less the amount of stock options and non-controlling interests recorded on the consolidated balance sheets.

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.