June 26, 2020

To All Parties Concerned

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

TOKYO, June 26, 2020 – Hulic Co., Ltd. ("Hulic" or 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 April 28, 2020 as follows.

	2nd series unsecured subordinated bonds with optional interest deferral and early redemption clauses	3rd series unsecured subordinated bonds with optional interest deferral and early redemption clauses	4th series unsecured subordinated bonds with optional interest deferral and early redemption clauses
(1) Total issue amount	120 billion yen	40 billion yen	40 billion yen
(2) Initial interest rate	1.28% per annum (Note2)	1.40% per annum (Note3))	1.56% per annum (Note4)
(3) Issue date	July 2, 2020		
(4) Maturity date	July 2, 2055	July 2, 2057	July 2, 2060
(5) Early redemption (Note 5)	Hulic may redeem the Hybrid Bonds at its discretion on July 2, 2025 or any interest payment date thereafter.	Hulic may redeem the Hybrid Bonds at its discretion on July 2, 2027 or any interest payment date thereafter.	Hulic may redeem the Hybrid Bonds at its discretion on July 2, 2030 or any interest payment date thereafter.
(6) Interest payment date	January 2 and July 2 of each year (If the date falls on a bank's holiday, the bank business day immediately prior to the interest payment date.)		

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.

(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) SMBC Nikko Securities Inc. (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 July 2, 2020 to July 2, 2025, and the floating interest rate will be applied on or after the day immediately following July 2, 2025 (A step-up coupon provision is applicable on July 3, 2025).

(Note 3) The fixed interest rate will be applied from the day immediately following July 2, 2020 to July 2, 2027, and the floating interest rate will be applied on or after the day immediately following July 2, 2027 (A step-up coupon provision is applicable on July 2, 2027).

(Note 4) The fixed interest rate will be applied from the day immediately following July 2, 2020 to July 2, 2030, and the floating interest rate will be applied on or after the day immediately following July 2, 2030 (A step-up coupon provision is applicable on July 3, 2030).

(Note 5) 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. Debt equity ratio calculated based on its consolidated balance sheet is 3.00 times or less; and
2. The amount of shareholders' equity in its balance sheet has increased by 60 billion yen or more for the second series bonds, by 20 billion yen or more for the third series bonds and by 20 billion yen or more for the fourth series bonds compared to the amount as of December 31, 2019.

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