

FamilyMart UNY Holdings' Transfer of Shares in UNY and Tender Offer for Shares in Don Quijote Holdings—No Immediate Impact on Rating, but JCR will Closely Watch Impact on Financial Structure

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on FamilyMart UNY Holdings Co., Ltd. (security code: 8028)'s announcement on its transfer of shares in UNY CO., LTD and planned commencement of tender offer for shares in Don Quijote Holdings Co., Ltd. (security code: 7532, JCR's long-term issuer rating: A+).

- (1) FamilyMart UNY Holdings Co., Ltd. (the "Company") today announced that it would transfer 60% shares in UNY CO., LTD. ("UNY") to Don Quijote Holdings Co., Ltd. ("Don Quijote HD") and commence a tender offer for shares in Don Quijote HD. In November 2017, it already transferred 40% shares in UNY to Don Quijote HD. It would transfer the remaining 60% shares to Don Quijote HD in January 2019. The Company plans a tender offer for shares in Don Quijote HD to make the latter an equity-method affiliate. These transactions will lead to the strengthening of the Company's relations with Don Quijote Group including UNY.
- (2) Exclusion of UNY from the consolidated financial statements will improve the financial structure of the Company to a certain degree in light of the UNY's financial conditions. Funds amounting approximately 210 billion yen (scheduled), on the other hand, will be required from the Company for the tender offer for shares in Don Quijote HD. JCR assesses that the transactions will not have an immediate impact on the rating, but will confirm conditions of implementation of the tender offer, subsequent changes to the financial structure, business results of the CVS business after brand unification, measures to strengthen relations with Don Quijote Group, etc.

Hiroyuki Chikusa, Hiroyoshi Ohtsuka

<Reference>

Issuer: FamilyMart UNY Holdings Co., Ltd.

Long-term Issuer Rating: A+ Outlook: Stable

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