

Mitsubishi HC Capital's Acquisition of US Marine Container Leasing Company—No Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the acquisition by Mitsubishi HC Capital Inc. (securities code: 8593) of CAI International, Inc. ("CAI").

- (1) Mitsubishi HC Capital Inc. (the "Company") announced today that it has resolved and entered into an agreement pursuant to which it will acquire all the outstanding shares of US-based CAI, one of the world's leading marine container leasing companies, to make it a wholly-owned subsidiary. The acquisition price is approximately USD 1,108 million and the closing of the transaction is scheduled from the second quarter to the third quarter of the fiscal year ending March 31, 2022.
- (2) The Company has positioned "Global Assets" as one of its focus areas and has been accumulating assets such as marine containers, railway cars, and aircraft. The Company has been strengthening the area of marine containers since it acquired Beacon Intermodal Leasing, LLC ("BIL") in the US in November 2014. CAI, which will be acquired this time, ranks 5th in the world in terms of the number of containers in the marine container leasing industry, and together with BIL, the Company group will have the world's second largest container fleet.
- (3) As of December 31, 2020, CAI's consolidated total assets were USD 2,613 million and consolidated net assets were USD 702 million. The size of CAI is small compared to the Company. JCR believes that the acquisition will not affect the Company's rating, as the Company is expected to maintain its sound financial base after the acquisition. JCR considers that the acquisition will lead to the expansion of the Company's business base and diversification of its earnings sources, as marine container leasing is an area where stable growth is expected. JCR will pay close attention to the developments such as realization of synergies in the future.

Hidekazu Sakai, Kenta Asada

<Reference>

Issuer: Mitsubishi HC Capital Inc.

Long-term Issuer Rating: AA Outlook: Stable

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