

INFRONEER HD Plans to Issue Bond-type Class Shares— Could be an Underpinning Factor for the Current Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the filing of the shelf registration statement and other matters relating to the 1st series bond-type class shares of INFRONEER Holdings Inc. (security code: 5076).

- (1) Today, INFRONEER Holdings Inc. (the "Company") submitted the shelf registration statement for the 1st series bond-type class shares to the Finance Bureau. The proceeds from the issue of the shares will be used to partially finance the repayment of the bridge loan (218.4 billion yen) borrowed from financial institutions in connection with the acquisition of shares in Japan Wind Development Co., Ltd. ("JWD") and others, and the maximum issue amount is 150 billion yen. In addition, the Company is considering designing the shares to become the products that can be approved by JCR as products with equity content ("Medium/50%").
- (2) When the Company announced the acquisition of shares of JWD, JCR placed its ratings under Credit Monitor with Negative direction. That was based on the concern that the acquisition of the shares would worsen the Company's financial base. On the other hand, if the fundraising through the issue of these shares is realized on a commensurate scale, it will have the effect of mitigating the deterioration of the Company's financial base due to the acquisition of shares in JWD and others, and thus might be a factor that supports the current rating. Going forward, JCR will confirm (i) product design of these shares and amount of funds to be raised through the issue of these shares, (ii) impact of the acquisition of shares in JWD and others on the Company's profit and finances, and (iii) method of creating synergies with the JWD, and will reflect these factors in the rating.

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<Reference>

Issuer: INFRONEER Holdings Inc.

Long-term Issuer Rating: #A+/Negative

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