

KINDEN Announces a Tender Offer for Kodensha, An Electrical Facilities Construction Company—No Impact on the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the commencement of a tender offer for the shares of The Kodensha, Co., Ltd. (security code: 1948) by KINDEN CORPORATION (security code: 1944).

- (1) KINDEN CORPORATION ("KINDEN") announced on May 25 that it will commence a tender offer for the common shares of The Kodensha, Co., Ltd. ("Kodensha"). The tender offer period is from May 26 to July 6, and the tender offer price is 11,501 yen per share, bringing the purchase price to approximately 49 billion yen. The total acquisition price is estimated at approximately 85 billion yen, including approximately 36 billion yen for Kodensha to repurchase its own shares from Mitsubishi Electric Corporation (shareholding ratio: 51.36%). If the tender offer is successfully completed, Kodensha is expected to become a wholly owned subsidiary of KINDEN after a series of necessary procedures.
- (2) JCR concludes that the tender offer will have no impact on KINDEN's rating. The grounds leading to this judgement include: i) that the estimated total acquisition price is not so significant in light of KINDEN's cash flow and financial scale; and ii) that Kodensha is a competitor in the same industry with strength in regions including the Tokyo metropolitan area, where demand is robust, and the tender offer will probably help strengthen KINDEN's business base once completed.

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<Reference>

Issuer: KINDEN CORPORATION

Long-term Issuer Rating: AA- Outlook: Stable

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