News Release

Japan Credit Rating Agency, Ltd.

26-D-1005
November 9, 2026

SHIP HEALTHCARE HD Announces a Tender Offer for Nursing Care Facility Operator CHARM CARE CORPORATION—No Immediate Impact on the Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on "Notice Concerning the Commencement of a Tender Offer for Share Certificates, Etc. in CHARM CARE CORPORATION (Securities code: 6062)" released by SHIP HEALTHCARE HOLDINGS, INC. (security code: 3360).

(1) SHIP HEALTHCARE HOLDINGS, INC. (the "Company") announced on November 6, 2026 that it will conduct a tender offer for nursing care facility operator CHARM CARE CORPORATION ("CHARM CARE") to make the latter a wholly owned subsidiary (the "Tender Offer"). Currently, the Company classifies CHARM CARE as an equity-method affiliate. By making CHARM CARE a wholly owned subsidiary, it aims to enhance competitiveness through facility development, service provision, personnel recruitment, etc. The purchase price is estimated at approximately 45.4 billion yen, which is slated to be covered by a loan of up to 32.5 billion yen and its own funds.

(2) The Tender Offer will be the largest M&A transaction ever executed by the Company. Yet, the financial base is sound, as indicated by equity capital amounting to 146.8 billion yen, equity ratio standing at 39.5% and the Company being in a net cash position as of the end of the first quarter of the fiscal year ending March 2027. JCR assumes that the Company can maintain a certain level of financial base even after the completion of the Tender Offer. Stable cash flow generation on the back of robust performance is also expected. Hence, JCR finds no immediate need to review the rating. Attention will be paid to the financial management policy and synergy creation with CHARM CARE following the acquisition.

Yosuke Sato, Masaki Abe

<Reference>
Issuer: SHIP HEALTHCARE HOLDINGS, INC.
Long-term Issuer Rating: A Outlook: Stable

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