

## **BOT Lease Announced Capital and Business Alliance among 4 Companies—Capital Adequacy Will Significantly Improve; JCR Will Pay Attention to Future Relationships with Major Shareholders**

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the announcements by BOT Lease Co., Ltd. (security code: -) for the third-party allotment of shares and capital and business alliance.

- (1) On June 23, BOT Lease Co., Ltd. (the "Company") together with MUFG Bank, Ltd. (MUFG Bank), The Norinchukin Bank (Norinchukin) and Tokyo Century Corporation (Tokyo Century) announced that they had entered into a capital and business alliance agreement among the 4 companies and that they agreed that the Company's capital increase through third-party allotment would be undertaken by MUFG Bank, Norinchukin, and Tokyo Century. The total amount of the capital increase is expected to be approximately 30 billion yen, with Mitsubishi UFJ Financial Group, Inc. (MUFG, consolidated basis) holding 27.7% (of which, MUFG Bank 22.3%), Norinchukin 25%, and Tokyo Century 25% after the capital increase. Upon approval by the relevant authorities, the payment is expected to be made in August to September 2022. The Company is currently an equity-method affiliate of MUFG and MUFG Bank, and after the capital increase, it is expected to become an equity-method affiliate of Norinchukin and Tokyo Century in addition to MUFG and MUFG Bank.
- (2) JCR has been indicating that there is much room for improvement in the capital adequacy of the Company, and if the capital increase is implemented, the equity ratio is expected to significantly increase. On the other hand, JCR has long been incorporating its close relationship with MUFG into the rating. This capital and business alliance is intended to strengthen the Company's risk-taking function in the asset business, which is said to have "an important position for MUFG," and JCR is paying attention to whether the Company's strategic importance to MUFG will increase. It is also expected that the Company will utilize the management resources of Norinchukin and Tokyo Century, and JCR will follow whether this will lead to the strengthening of the Company's business foundation.

Atsushi Kato, Hidekazu Sakai

### <Reference>

Issuer: BOT Lease Co., Ltd.

Long-term Issuer Rating: A      Outlook: Stable

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