

TAKARA HD Announces Commencement of A Tender Offer for Shares of TAKARA BIO—Limited Impact on TAKARA HD's Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the commencement of a tender offer by TAKARA HOLDINGS INC. (security code: 2531) for TAKARA BIO INC. (security code: 4974).

- (1) TAKARA HOLDINGS INC. ("TAKARA HD") announced on February 13 that it will acquire the shares of consolidated subsidiary TAKARA BIO INC. ("TBI") through a tender offer (the "Tender Offer"). TBI has expressed an opinion in support of the Tender Offer. If all shares were acquired, the estimated tender offer price would be 54.1 billion yen. Upon completion of a series of transactions, TBI is expected to become TAKARA HD's wholly owned subsidiary.
- (2) Given TAKARA HD's financial structure and cash flow generation capacity, JCR concludes that the Tender Offer will have only a limited impact on TAKARA HD's creditworthiness. As regards TBI, on the other hand, its performance has been weak because of a downturn in the life science research market. The move to make TBI a wholly owned subsidiary is expected to lead to faster decision-making, flexible allocation of management resources and so forth within the Takara Holdings Group. JCR will continue closely watching how far and how fast TBI can turn around its performance.

Takeshi Fujita, Mariko Miura

<Reference>

Issuer: TAKARA HOLDINGS INC.

Long-term Issuer Rating: A+ Outlook: Stable

Issuer: TAKARA BIO INC.

Long-term Issuer Rating: #A/Positive

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