

J & J announces Offer to Acquire Ci:z Holdings Co., Ltd.

23 October 2018 | News

An acquisition is expected to Expand J&J's Consumer Portfolio of Science-based Dermocosmetic Beauty Products



Johnson & Johnson has announced that they have agreed with Ci:z Holdings Co., Ltd. a Japanese company focused on the marketing, development and distribution of a broad range of dermocosmetic, cosmetic and skincare products, to launch an all-cash offer (the "tender offer") to acquire all of the outstanding shares of the Company not already held by Johnson & Johnson and its affiliates for ¥5,900 per share, which equates to approximately ¥230 billion. The acquisition will include the Company's range of brands comprising Dr.Ci:Labo, Labo Labo and Genomer line of skincare products.

The Company's skincare portfolio is expected to strengthen Johnson & Johnson's market presence in Japan with key customers, and more broadly bolster its offering in science-based, efficacious dermocosmetic brands.

"Health and beauty consumers are actively seeking science-based innovation to improve their skin," said Jorge Mesquita, Worldwide Chairman, and Johnson & Johnson Consumer. "This transaction will maximise value creation for Johnson & Johnson's Consumer business by bringing in an agile innovation model and rapidly accelerating sales through our global commercialization expertise."

In July 2016, Cilag GmbH International, an affiliate of Johnson & Johnson ("Cilag"), entered into a long-term strategic collaboration with the Company, to distribute the Company's brands outside of Japan. As part of this collaboration, Cilag acquired approximately 19.9% of the outstanding shares of the Company. The tender offer is part of a series of transactions pursuant to which Johnson & Johnson intends to acquire all the outstanding shares of the Company, including a separate transaction whereby Johnson & Johnson will acquire the shares of the Company held by CIC Corporation, the ownership vehicle of the Company's founder, Dr. Yoshinori Shiono.

Johnson & Johnson expects to launch the tender offer on October 29, 2018. Additional information on the tender offer and transactions will be made available to the Company's shareholders in the tender offer registration statement for the transaction to be filed on EDINET in Japan. Copies of an English translation of the tender offer explanatory statement, which includes all the information described in the tender offer registration statement, may be obtained by contacting Johnson & Johnson's tender offer agent, SMBC Nikko at any time after October 29, 2018.

The tender offer is expected to close in the first quarter of 2019. Upon completion of the tender offer, Johnson & Johnson intends to conduct a squeeze-out procedure to purchase the remaining shares in the Company that was not tendered in the tender offer, which we expect to complete in the first half of 2019.

The proposed transaction is conditioned upon:

- Johnson & Johnson's having acquired, directly or indirectly, at least two-thirds of all Company shares that are issued and outstanding at the end of the tender offer period, which may be extended, including for this purpose: the shares tendered, the shares already held by Cilag, and the shares held by CIC Corporation that will be separately acquired by Johnson & Johnson;
- Further customary offer conditions described in the tender offer registration statement, including regulatory approvals.