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Three take-private structures in one week: Bain's eSOL MBO, the Bain–Lone Star Nikkon auction, and Luxshare's SEED

Sources: eSOL TDnet notice (MBO実施及び応募推奨), 2026-09-01; Bloomberg via The Japan Times (Nikkon), 2026-09-03; SEED TDnet board-opinion notice, 2026-08-26

eSOL (4420): the reference price is negotiable. Bain Capital's vehicle BCJ-110 launched an MBO tender at ¥820, a 12.30% discount to the prior-day close of ¥935, for a total of about ¥14bn. Measured against the last close before the Nikkei leak (¥685 on 27 August), ¥820 is a 19.71% premium. eSOL's board admits that premium is low against the 42.5% median of 108 Japanese MBOs since June 2019, and its committee's table shows the median falls to 27.6% for targets on more than 2x book. The special committee called the share price "unnatural": flat at ¥500–600 for a year, a surge to ¥1,004 on 9 June, falls timed to each postponement of the announcement, and a limit-up on the morning of 28 August before the 15:00 Nikkei report; the stock hit limit-up at ¥935 on 31 August. The pieces that made a below-market price deliverable: two founder-family holding companies (6.09% and 7.15%) do not tender and are bought back at ¥663 after the squeeze-out; the minimum of 10,535,800 shares (53.43%) reaches the two-thirds squeeze-out threshold only with those blocks; CEO Masaki Gondo tenders 0.80% and re-invests in Bain's parent vehicle for under 5% of its votes; no fairness opinion was obtained, and Mizuho's DCF range was ¥558–892. Bain made eight price proposals, from ¥600 in May to ¥820, which it declared final on 27 August; eSOL accepted the next day. The tender runs 2 September to 19 October, settlement from 26 October, funded by up to ¥4.7bn of Bain equity and up to ¥9.5bn of loans from Aozora Bank and Bank of Yokohama.

Nikkon (9072): the run-up can exceed any deliverable premium. Nikkon Holdings will hold a second round of bidding in the first half of September; Bain Capital and Lone Star Funds advanced from the June first round and have done due diligence. Shares are up more than 50% this year on the privatisation news, giving a market cap of ¥665bn ($4.2bn), and people familiar say any bid may land below the market valuation, citing Japan Industrial Partners' Mitsubishi Logisnext deal and KKR's Taiyo Holdings purchase as discount-tender precedents. Bloomberg named Bain, Warburg Pincus and Blackstone as considering bids in May; the September shortlist names only Bain and Lone Star, and no source says the others withdrew. The register: Farallon Capital Management 23.00% (filed 2 April) and Oasis Management 17.67% (filed 29 July). Nikkon closed at ¥5,112 on 8 September; the year's high was ¥6,689 on 23 June. A bid must clear ¥5,112 to show any premium; the ¥665bn cap equals about ¥5,258 a share; the June high is 30.8% above the current close [S].

SEED (7743): the price is conventional; the structure is set by the foreign-investment screen. Luxshare Precision's Cayman vehicle is tendering at ¥795, a 47.77% premium to the ¥538 close on 25 August, about ¥12.32bn in total, 27 August to 13 October. Founder Ryuji Arai's 48.80% is locked out by a non-tender agreement; after the squeeze-out the bidder transfers shares back so the end state is Luxshare 49.00%, Arai 51.00%. The filing explains the split by brand and management stability and says the synergies do not need majority control. The FEFTA history is the document's real content: the prior notification was filed in August 2025, withdrawn at METI's request in September, refiled in December, withdrawn again in March 2026, "broadly settled" in early August, and will be re-filed during the tender period with approval expected by the day before it ends. Price talks paused for six and a half months while that ran. As a launch condition, SEED sold 85.10% of its smart-contact-lens subsidiary and 100% of its Taiwan subsidiary to an Arai-controlled company the day before launch, on Luxshare's proposal, "from the standpoint of thorough technology-information management" against the published FEFTA review factors; both sales unwind if the tender fails. No fairness opinion was obtained. The reading that the 49% ceiling was chosen to pass FEFTA is Toyo Keizai's; the filing itself ties FEFTA to the carve-outs, not the ceiling [S].

Pipeline Implication. Japanese take-private premia are now set by structure, not by the 40%-plus MBO convention. A committee will accept the pre-leak price as the base if the filing documents the run-up; large holders can be routed around a below-market offer by rolling or by an equalised buyback; and a foreign strategic in a screened sector should budget a year of FEFTA consultation, a carve-out of the sensitive unit to a domestic holder, and a minority-of-control end state. Nikkon is the largest live test of whether the eSOL template scales to a ¥600bn company with two activists holding 40.67% between them — enough to block a two-thirds squeeze-out resolution on their own [S]. The supply side keeps growing: 128 TSE delistings were confirmed for 2026 as of 4 September, already above the full-year 2025 record of 125, with 29 more names under supervision; 2025 was itself 31 above 2024, and MBO announcements reached 28 by end-November 2025 against 18 in all of 2024. The financing side is being opened to foreign money: MUFG will partner with BlackRock and Morgan Stanley Investment Management to sell Japanese LBO loans to overseas institutions, targeting a start within fiscal 2026. eSOL's own debt — two domestic banks lending up to ¥9.5bn against ¥4.7bn of equity — is the kind of paper that platform would distribute.

How to act: eSOL closes 19 October; holders who bought above ¥820 after 28 August face a below-cost exit unless the offer fails its minimum. Nikkon: hold ¥5,112, ¥5,258 and ¥6,689 as the reference points, and track Farallon and Oasis change reports — a purpose change or a tender/non-tender agreement from either decides whether a discount bid can reach two-thirds. SEED closes 13 October; an extension of the period is the tell if the FEFTA review slips. Sponsors sizing Japanese LBOs should get on MUFG's distribution list before the BlackRock/MSIM mechanism starts.

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