

Japan Inbound Capital Intelligence

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LEAD SIGNAL · JAPAN INBOUND CAPITAL INTELLIGENCE #004

CVC and NSSK propose to take Kobayashi Pharmaceutical private, with the founding family, onto Oasis's 14.41% register

Kobayashi Pharmaceutical confirms a non-binding joint take-private proposal from NSSK and CVC — [Kobayashi Pharmaceutical company release](#), 2026-09-25 (corroborated by [Bloomberg \(Japanese edition\)](#), 2026-09-24; [Yomiuri Shimbun](#), 2026-09-24; [Jiji Press via Nippon.com](#), 2026-09-25; [EDINET 変更報告書 S100Z130](#), 2026-09-09)

Kobayashi Pharmaceutical (4967) confirmed on 25 September that it has received a legally non-binding, initial joint proposal to take its shares private from entities related to NSSK (日本産業推進機構) and CVC Capital Partners. It said it has decided nothing and will disclose promptly if it does. The release carries no price, no premium, no special committee and no timetable. It was posted on the company's own news page, not as a full TDnet deal notice.

Bloomberg reported the day before that the two funds plan a tender offer (TOB), have already begun talks, and that the total could exceed ¥500bn. Yomiuri put the deal at about ¥500bn against a market value of ¥459.3bn at the 24 September close. Jiji reported the funds proposed the TOB "in partnership with" the founding family. Nikkei and Kyodo both reported the family is considering putting in part of the equity. The company and family members have hired financial advisers and investment banks.

The stock closed at ¥5,885 on 24 September, before the report hit the market. It closed limit-up at ¥6,885 on 25 September and at ¥6,920 on 28 September.

The backdrop is the red-yeast (beni-koji) supplement recall. It led to a ¥12.7bn charge, and more than 500 people were deemed eligible for compensation. Founding-family chairman Kazumasa Kobayashi and president Akihiro Kobayashi resigned; Kazumasa stayed on as special adviser and Akihiro as a director.

Why This Matters for a Japan Allocation

The structure is the signal. A foreign sponsor brings most of the equity. A domestic fund and the incumbent owners bring the consent. NSSK closed its fourth fund, NSSK IV, at ¥250bn in April 2026, with more than 100 domestic and overseas institutional LPs. That fund is half the reported deal size. NSSK's own portfolio lists three take-privates, all mid-sized. On that evidence, CVC is likely to supply most of the sponsor equity, with NSSK playing the domestic role. The template repeats across the past year. At Mandom, CVC backed the founding family's MBO, with family members reinvesting. At Kakaku.com, EQT's bid rolls Digital Garage into the buyer group

at about 20%. This suggests the foreign-sponsor-plus-local-partner route is now the default route to control of a listed Japanese company.

The price will be set by the register, not the sponsor. The reported size implies about ¥6,726 a share, a premium of about 14.3% to the undisturbed ¥5,885. Because the reports say "over ¥500bn", that is a floor, not a price. The stock already trades above it, at ¥6,920, which suggests the market expects a higher bid.

The largest shareholder is Oasis Management, at 14.41% (11,244,001 shares). Akihiro Kobayashi holds 12.46% and the Kobayashi Foundation 8.07%, on the company's count excluding treasury shares. A squeeze-out after a TOB needs a two-thirds vote at a shareholders' meeting, unless the buyer reaches 90%. Oasis holds about 15.1% of voting shares. That is not enough to block alone. Suppose Akihiro Kobayashi and the Foundation both side with the buyer. The sponsors would still need about 46 more points from the remaining shares to reach two-thirds. So Oasis plus a modest group of holdouts could hold the deal up. On our reading, that makes Oasis a price-setter rather than a veto.

Mandom shows how far a price-setting block can move a Japanese sponsor. CVC opened at ¥1,960. After activists built a stake above 20% and a rival proposal of ¥3,100 appeared (both reported by secondary sources only), CVC raised to ¥3,105 and closed the deal. The final price was 58% above CVC's opening bid and 107% above the undisturbed price.

Oasis's position. Oasis built its stake in six filings since July 2024, from 5.2% to 14.41%. Its latest filing reserves proposals on delisting and on "acquisition of a majority of voting rights by someone other than the issuer", wording it first added in May 2026. Oasis uses the same list at other targets, so the wording reserves its rights; it does not show Oasis planned this exit. It also says it plans to add more than five further points within about three months of 2 September. Its reported cost is ¥61.52bn, about ¥5,472 a share. At the ¥6,726 implied floor, Oasis would be up about 23% before any bump. Oasis lost its March 2026 AGM campaign against family-backed governance changes. A take-private at the right price is the one outcome that pays it out.

Screening is not the gate here. The Ministry of Finance lists Kobayashi as a company running only non-designated businesses under FEFTA (Japan's foreign-investment screening law). A foreign investor therefore reports after investing rather than filing in advance. MOF also says investors must judge for themselves whether prior notification applies. Contrast Makino Milling: in July it rejected a proposal from the same domestic fund, NSSK, judging government approval unlikely because foreign co-investors were involved. The same structure failed on a designated target and faces no advance-filing gate on an undesignated one. The Kobayashi timetable is therefore more likely to turn on the special committee and competition review than on foreign-investment screening [S].

Who Is Already Moving

Investor	Move	Asset Class	What It Signals
CVC Capital Partners	This week: initial non-binding joint take-private proposal to Kobayashi with NSSK, confirmed 25 Sep	Listed consumer health	A foreign sponsor pairing with a domestic fund and the founding family
NSSK (domestic GP, not an inbound investor)	Co-proposer; closed NSSK IV at ¥250bn with 100-plus LPs and a widened take-private remit	Japanese PE	The local partner is now funded for larger deals

Investor	Move	Asset Class	What It Signals
Japan Investment Corporation (domestic)	¥14bn LP commitment to NSSK IV	Fund LP	State-backed money sits under the domestic wrapper
Kobayashi founding family	Akihiro Kobayashi holds 12.46%; family reported to be considering investing and has hired advisers	Incumbent owner	The consent the sponsor needs
Oasis Management	14.41% after on-market buying to 2 Sep; plans more than 5 further points within about three months	Activist block	The price-setting holder
CVC Capital Partners (precedent)	Mandom MBO: opened ¥1,960, paid ¥3,105	Listed consumer, family MBO	CVC pays up when a block pushes

How to Act

This week

1. Treat about ¥6,726 as the floor implied by reports, not the bid. The stock at ¥6,920 already prices more. Holders should set their own reservation price against the Mandom path (+107% over undisturbed in the end) rather than against the first number that appears.
2. Watch TDnet (the exchange's company-disclosure system) for the first hard document: a special-committee notice, or a board opinion carrying a TOB price. None had been posted by 28 September.

Within 30 days

3. Watch EDINET (the FSA's filing system) for an Oasis change report. Any 1-point move must be filed within five business days. A new filing that changes the purpose text would be Oasis's first public answer to the proposal.
4. Decide your vote on a possible squeeze-out meeting now. It needs a two-thirds special resolution, so every holder outside the family and Oasis carries weight.

Within 90 days

5. Oasis's three-month buying window runs to about early December. A would-be rival bidder should note that the family's rollover is the gate, not the regulator [S].
6. For sponsors building a Japan pipeline: map which founding families and domestic funds sit on a target's register before modelling the take-out multiple. Kobayashi, Mandom and Kakaku.com all ran through that negotiation first.

In Japan the founding family and a local fund make a take-private possible, and the foreign sponsor pays for it; an activist's block sets the final price.

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