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ASIA EDITION

Japanese firms Mitsui & Rohto Pharma buy Singapore-based consumer healthcare brand for Ã?Â¥88 B

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Mitsui has identified "Wellness Ecosystem Creation" as one of its key strategic initiatives in the Medium-term Management Plan 2026



Japan-based Mitsui & Co., has decided to acquire shares in Eu Yan Sang International (EYS) jointly with Rohto Pharmaceutical and others. Based in Singapore, EYS manufactures and sells traditional Chinese medicines.

A special purpose company (SPC), that is established in Singapore and will be jointly owned by Mitsui and Rohto, will acquire approximately 86% of the EYS shares from Righteous Crane Holding (RCH, Head Office: Singapore), pursuant to a conditional sale and purchase agreement (SPA). Upon fulfillment of the condition in the SPA, a takeover bid for the remaining 14% of EYS shares will be executed and the founding family of EYS will reinvest partially into the SPC (as part of management retention arrangements). Mitsui invested in EYS through a fund in November 2022 as an indirect investor.

The existing interest in EYS through its fund holdings will cease as a result of RCH's sale of the EYS shares, and Mitsui will re-invest in EYS through the SPC, utilising the proceeds from the above-mentioned sale. If the SPC is able to acquire 100% of the EYS shares from RCH and under the takeover bid, Mitsui will own approximately 30% effective interest in EYS shares, Rohto approximately 60%, and the founding family approximately 10%.

The acquisition of 100% of EYS shares is valued at approximately SGD800 million (approximately ¥88 billion), subject to adjustments. Mitsui will acquire shares worth an estimated ¥15 billion on a net basis, excluding the proceeds from the RCH's sale of the EYS shares. Completion of the acquisition is targeted to take place on or around 30 June 2024.

Eu Yan Sang, founded in 1879, is a leading integrative health and wellness company with a unique heritage in Traditional Chinese Medicine that operates over 170 retail outlets and 30 clinics in its core Singapore, Hong Kong, and Malaysia markets. Eu Yan Sang also has a significant network across 29 markets, including manufacturing capabilities in Malaysia and Hong Kong.