



Mitsui to Join KKR and Panasonic as an Investor in Panasonic Healthcare

November 18, 2016

Deal underscores Mitsui's long-term commitment to company alongside partners KKR and Panasonic

TOKYO--(BUSINESS WIRE)-- Mitsui & Co., Ltd. ("Mitsui"), one of Japan's largest diversified corporations, and global investment firm KKR today announced the signing of a definitive share purchase agreement for Panasonic Healthcare Holdings ("PHCHD" or "Panasonic Healthcare"), a global provider of healthcare devices. Under the agreement, Mitsui will acquire a 22% stake in PHCHD for JPY54.1 billion (US\$510 million).

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Mitsui will acquire its shares from KKR, which invested in PHCHD in 2014 from its pan-regional Asian Fund II. Following the completion of this transaction, KKR will own approximately 58% of PHCHD, Mitsui approximately 22%, and Panasonic Corporation approximately 20%.

PHCHD develops, manufactures, and sells healthcare devices, focusing on blood glucose monitoring systems and strips for people with diabetes through its subsidiary Panasonic Healthcare Co., Ltd. In January 2016, PHCHD acquired Ascensia Diabetes Care ("Ascensia"), formerly the diabetes care unit of Bayer Aktiengesellschaft, a leading provider of diabetes care solutions to people with diabetes and healthcare professionals in 125 countries around the world.

Hidehito Kotani, President of PHCHD, said, "Panasonic Healthcare strives to be a global provider of innovative and customer-centric healthcare devices to help and serve our customers and contribute to the well-being of society. We believe that Mitsui's expertise, experience and networks in the healthcare business, especially in Asia, will help us grow further and compete globally. We welcome Mitsui as a shareholder that will help us in achieving our aims."

PHCHD's mission is to provide innovative technologies and accessible health care solutions to patients worldwide. The Company continually strengthens its focus on providing high-quality and life-enhancing products to diabetes patients globally given the growing incidence of the disease. According to the International Diabetes Federation, the number of people living with diabetes is expected to increase from 420 million in 2015 to 640 million people in 2040, and an estimated 60% of these people will live in emerging Asian countries.

Hiro Hirano, Member & CEO of KKR Japan, said, "Since 2014, we have worked closely with Panasonic Healthcare's strong management team to grow the company and capture new opportunities at home and across borders. There is still much that can be done, and we will continue to support the company's long-term growth. The partnership with Mitsui will greatly enhance the global opportunities for PHCHD."

Koji Nagatomi, Chief Operating Officer of Mitsui's Healthcare & Service Business Unit, said, "PHCHD manufactures and sells blood glucose monitoring systems and other healthcare devices globally, and has expanded its business operations as one of the world's leading manufacturers of medical equipment. By leveraging Mitsui's network of Asian healthcare organizations, we are confident of contributing to accelerating PHCHD's growth in collaboration with KKR and Panasonic. We believe that this initiative will also contribute to the creation of service structures that will enhance the convenience of treatment for diabetes sufferers."

The medical and health care industry has been a key focus area for Mitsui, which has been actively investing in hospital and ancillary businesses in Asia. Through this investment in PHCHD, Mitsui will be able to collaborate with its existing investments in medical institutions and its overseas customer base to promote and support the sale of PHCHD's medical devices and to strengthen the ability of medical institutions to attract patients. In the emerging markets of Asia, Mitsui aims to build a diabetes treatment service network matched to occurrence of the disease, establishing an easy-to-use ecosystem for patients.

KKR has been investing in Japan through its pan-regional private equity funds since 2010. Japan has been and continues to be a key focus for KKR in the region. To date, KKR has completed three acquisitions in the market: Intelligence Ltd., a leading human resources services company; PHCHD, the carve-out health care business of Panasonic Corporation; and Pioneer DJ, the carve-out DJ equipment business of Pioneer Corporation.

The transaction is subject to customary approvals.

About Panasonic Healthcare Holdings Co., Ltd.

Incorporated in 2014, Panasonic Healthcare Holdings Co., Ltd. (shareholder structure: KKR 80%; Panasonic Corporation 20%) is involved in developing, manufacturing, selling and servicing medical equipment and solutions through its subsidiaries Panasonic Healthcare Co., Ltd. and Ascensia Diabetes Care Holdings Co., Ltd. It seeks to strengthen its three core businesses for In Vitro diagnostics devices, Medical IT and Laboratory and Medical Support devices to contribute to the wellbeing of society by creating new value propositions for all the people who wish for better health. For further information on Panasonic Healthcare Holdings, please visit <http://www.panasonic-healthcare.com/global/phchd/>.

President: Hidehito Kotani

Headquarters: Minato-ku, Tokyo, Japan
Incorporation: 2014

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com and on Twitter [@KKR_Co](https://twitter.com/KKR_Co).

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