

TAISEI Announces Tender Offer for TOYO CONSTRUCTION— Limited Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the tender offer by TAISEI CORPORATION (security code: 1801) for TOYO CONSTRUCTION CO., LTD. (security code: 1890).

- (1) On August 8, 2025, TAISEI CORPORATION (the Company) announced its plan to make a tender offer for the common shares of TOYO CONSTRUCTION CO., LTD. (TOYO CONSTRUCTION). The tender offer period will be from August 12 to September 24, with a purchase price of 1,750 yen per share, totaling approximately 130 billion yen. If the tender offer is successfully completed, TOYO CONSTRUCTION will become a wholly-owned subsidiary of the Company, following a series of procedures. The Company is promoting business transformation, including use of M&A, and the tender offer is part of those initiatives. The Company, one of Japan's leading general contractors, has strengths in land development and building construction works, and complementarities in terms of business operations with TOYO CONSTRUCTION, known as a marine contractor, which has strengths in offshore civil engineering, are recognized.
- (2) JCR assesses that the impact of the tender offer on the Company's rating will be limited, if the tender offer is successfully completed. This is primarily due to the following factors: (i) profit contribution from TOYO CONSTRUCTION will remain small for the time being due to the burden of goodwill amortization; and (ii) while the purchase price is a large amount, deterioration of financial indicators such as net DER and equity ratio is expected to be minimal, given the scales of its assets, liabilities, and capital. Going forward, JCR will confirm whether the Company can strengthen its business foundation and cash flow generation capability in the medium to long term through measures such as realization of synergies with TOYO CONSTRUCTION.

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<Reference>

Issuer: TAISEI CORPORATION

Long-term Issuer Rating: AA- Outlook: Stable

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