

News Release

December 13, 2017

Advantage Partners

### **Announcement Regarding the Initial Public Offering of Shares of Katitas Co., Ltd**

December 13, 2017 - Funds served by Advantage Partners (“AP Funds”) are pleased to announce that Katitas Co., Ltd (“Katitas”, “the Company”) successfully completed an initial public offering on December 12, 2017 on the Tokyo Stock Exchange 1<sup>st</sup> Section. Through the initial public offering, AP Funds exited the remaining ownership of their investment in the Company. Katitas, founded in Gunma Prefecture in 1978, has been a pioneer since 1998 in the renovation and sale of existing single-family residential homes in Japan and is the largest player in the market.

After AP Funds' investment in the Company in March 2012, Advantage Partners implemented numerous value creation measures to rapidly improve company performance including: enhancing branding by changing the Company's name and boosting television and internet marketing initiatives; improving personnel productivity through better hiring and training practices; converting the Company's purchasing from an auction-based system to directly negotiated purchases; and augmenting methods of adding value to the homes that the Company renovates. In March 2016, Katitas also acquired its competitor Reprice, allowing Katitas to accelerate its growth through synergies from the combined operating platforms of both companies.

As a result of these efforts, operating income grew significantly from JPY 1,210 million in FY 1/2012 (the year of AP Funds' investment) to a forecasted JPY 7,030 million in FY 3/2018 on a consolidated basis. In addition, in November 2017 Katitas was recognized for its efforts to address the country's vacant housing problem and was awarded the Porter Prize, an award bestowing recognition on Japanese companies that achieve and maintain superior profitability “by implementing unique strategies based on innovations in products, processes, and ways of managing”.

### Overview of Katitas

Company Name: Katitas Co., Ltd

Representative: Katsutoshi Arai

Location: Gunma, Japan

Business Description: Renovation and sale of single family homes