

News Release

April 28, 2017

Advantage Partners

**Announcement Regarding the Sale of Shares of Katitas Co., Ltd to  
Nitori Holdings Co Ltd**

We are pleased to announce that on April 28, 2017, Nitori Holdings Co., Ltd (“Nitori”) agreed to acquire 34% of the shares of Katitas Co., Ltd (“Katitas”), from funds served by Advantage Partners Inc. (“AP Funds”).

As of the signing of this agreement, Nitori and Katitas have agreed to a business alliance with the goals of improving service to their customers, expanding both companies’ customer bases, studying methods to improve the value of housing while keeping costs low, collaborating on lowering renovation costs, and sharing and enhancing their respective business networks.

Katitas, founded in Gunma Prefecture in 1978, has been a pioneer in renovating and selling secondhand residential housing at reasonable prices since 1998. Katitas' consolidated sales for the fiscal year ended March 2017 sales exceeded 60 billion yen, making the company, along with its consolidated subsidiary Reprice, the largest second-hand renovated housing business in Japan, as evidenced by its sale of over 4,400 renovated houses annually.

Since AP Funds' investment in 2012, Katitas has leveraged the experience and business networks that Advantage Partners has cultivated through its other portfolio companies to steadily improve Katitas' operating platform. Specifically, after investment, the company transitioned from a competitive, unpredictable auction-based method of purchasing used residential homes to a direct purchasing system. Additionally, the company changed its corporate name from Yasuragi to Katitas, enhanced its marketing through television commercials, introduced an employee training system starting with the hiring of new graduates, and worked tirelessly to enhance the methods of adding value to the houses that the company renovates. In March 2016, Katitas purchased a competitor, Reprice, and as a result now has more than 123 store locations throughout Japan from Hokkaido to Okinawa. Katitas has worked to formalized the knowledge that it has accumulated through the

renovation of more than 40,000 houses that the company has sold since founding, and has transferred this knowledge to Reprice. In February 2016, Katitas was recognized by the government of Japan for the Company's efforts to tackle the country's vacant housing problem and was awarded the Advanced Renovation Business Award from the Ministry of Trade, Economy and Industry.

Katitas' mission of "Offering the opportunity to own a safe, clean, and useful home at a reasonable price to anyone who wants one" and Nitori's mission of "Bringing affluence of home living to as many people as possible" both have similar underlying philosophies. This shared philosophy of offering high-quality useful products at reasonable prices was the main reason behind the creation of the alliance between the two companies. Going forward, Katitas will continue its work as a pioneer of the second-hand housing market in addition to strengthening its relationship with Nitori to leverage Nitori's 428 stores and customer base of over 89 million people to offer fulfilling housing to more people.

After this transaction, AP Funds will continue to support Katitas' further growth through the partnership with Nitori.

#### Overview of Katitas

Company Name:	Katitas Co., Ltd
Representative:	Katsutoshi Arai
Location:	Gunma, Japan
Business Description:	Renovation and sale of single family homes