

October 11, 2019

Advantage Partners (H.K.) Limited

**Advantage Partners positions itself for long-term sustainable growth
with strategic business relationship with Tokyo Century**

Advantage Partners (H.K.) Limited (“AP”, or “the Company”), parent company of the Advantage Partners Group (“AP Group”), is pleased to announce that it has reached a definitive agreement with Tokyo Century Corporation (TSE: 8439) (“Tokyo Century”) to form a strategic business relationship (“Relationship”) that will support the AP Group’s long-term growth and further development of the private equity (“PE”) industry in Japan.

1. Background of the Relationship

Since establishing the first private equity buyout fund in Japan in 1997, the AP Group has pioneered the development of the Japanese private equity industry.

Today the AP Group serves funds (“AP Funds”) focusing on three PE investment strategies: (i) Japan mid-cap buyout; (ii) Asia (Greater China and developed SE Asia) mid-cap buyout; and (iii) Japan Private Solutions for Public Companies (privately structured investments in Japanese listed companies with hands-on management and operational support). To date, AP Funds have managed over JPY 400 billion in commitments and invested in over 100 companies, delivering attractive and consistent returns to investors.

In recent years, investors globally have been seeking to increase their exposure to private equity. Opportunities for PE continue to expand steadily as more market participants recognize the ability of private equity to contribute to solutions to various economic issues and support sustainable growth of the world economy.

With this backdrop, the AP Group is excited to enter into a strategic business relationship with a partner that can offer unique expertise and support. AP also understands that having balance sheet capital is critical to providing long-term stability in today’s market. The planned infusion of balance sheet capital will enable the AP Group to further increase the quality of services it provides to

investors and expand its capacity to invest alongside investors in AP Funds.

The AP Group is fortunate to have come to an agreement with a like-minded business partner in Tokyo Century with whom the AP Group has had a productive relationship over many years as Tokyo Century has participated as an LP in funds served by the AP Group and provided various financing arrangements for AP Fund investments. Tokyo Century has also found its relationship with AP to be an important element in developing its corporate investment businesses. The AP Group and Tokyo Century therefore feel that a formal strategic business relationship will mutually benefit the long-term growth of both parties.

2. Outline of the Relationship

With this Relationship, Tokyo Century will not only provide capital to support AP's balance sheet, but also introduce proprietary investment opportunities to AP Funds using its unique and expansive network of business relationships. Tokyo Century will continue to share its specialized knowledge in various industry sectors with AP Funds and provide traditional financing offerings to portfolio companies of AP Funds. The AP Group will support Tokyo Century in its business investment activities by sharing management support expertise and introducing potential investment opportunities to Tokyo Century from AP Group's network that fall outside the scope of AP Funds

Tokyo Century will acquire both existing and new shares of AP, which will represent 14.9% of the outstanding common shares of the Company. AP intends to use this new capital to improve the quality of services to investors, augment the Company's ability to invest with AP Funds, and increase the long-term financial stability of the firm. As part of this relationship, Tokyo Century will be granted one seat on the Company's board of directors.

After the formation of the Relationship, AP will continue to operate independently with majority ownership retained by its founder group and employees. The investment decision making processes of AP Funds will not change as a result of the Relationship.

3. Message from Co-Representative Partners, Taisuke Sasanuma and Richard Folsom

"Tokyo Century has been an important and valued investor in AP Funds over many years. All of us at the AP Group feel very fortunate and pleased to have them now support us as a strategic investor in our firm, bringing significant balance sheet capital to ensure the future stability of the firm, as well as

contributing to the ongoing activities of the firm in a broad range of areas including proprietary deal sourcing, leveraging their sector knowledge and broad network to support deal due diligence, providing financing for individual deals, and continuing to invest in future funds.

“This transaction is part of a thoughtful, careful process that began several years ago of transitioning the AP Group from a founder-controlled firm to a long-term sustainable institutional platform that continues to deliver exceptional value to investors and long outlives its founders. We had already transitioned a portion of the firm’s ownership from the founders to non-founder Partners and employees in the last couple of years, as well as transitioned governance and decision-making of the firm from just the two founders to include the broader group of Partners and senior management. Obtaining significant balance sheet capital and bringing in a new shareholder with a like-minded, long-term vision for the development of Advantage Partners and the private equity market will be a huge support in achieving the long-term objectives of the firm.”

4. Introduction of Tokyo Century

- ① Name Tokyo Century Corporation
- ② Listing Tokyo Stock Exchange Section 1 (Ticker: 8439)
- ③ Business Diversified financial services company
- ④ Address FUJISOFT Building, 3 Kanda-neribeicho, Chiyoda-ku, Tokyo
- ⑤ Establishment July 1, 1969
- ⑥ Representative Shunichi Asada, President & CEO
- ⑦ Performance Revenues: JPY 1,068 billion
Operating income: JPY 78 billion
Ordinary income: JPY 86 billion
Net income attributable to owners of parent:
JPY 52 billion (all figures as of FY Mar/2019)

5. Schedule

Closing of the transaction is expected during January 2020, after obtaining regulatory approval by the Hong Kong government authority (Securities & Futures Commission).

6. Contact

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