

Polaris Capital Group Co., Ltd.
CVC Capital Partners

**Polaris Private Equity Fund IV group acquires 100% of HITOWA Holdings Co., Ltd.
from CVC Asia Fund IV and other shareholders**

Tokyo, February 5, 2019 – Polaris Private Equity Fund IV (“Polaris Fund IV”), managed by Polaris Capital Group Co., Ltd. (“Polaris”), and other investors have reached agreement to acquire 100% of the outstanding shares of HITOWA Holdings Co., Ltd. (“HITOWA Holdings”) in mid-March 2019 from majority shareholder CVC Asia Fund IV and other shareholders.

The acquisition includes HITOWA Holdings and its operating subsidiaries, collectively referred to as HITOWA Group (“the Group”). Established in 1997, the Group is engaged in three major businesses: (1) Franchise Business Services, which includes house cleaning service “Osoji Hompo,” and home visit rehabilitation and massage service “KEiROW”; (2) Elderly Care Services, a comprehensive business providing services including the development and operation of “Irize” nursing homes for the elderly across Japan; and (3) Childcare Support Services, a comprehensive business providing services including the development and operation of “Taiyo no ko” nursery schools mainly in Japan’s metropolitan area (Tokyo and the surrounding three prefectures).

In addition, the Group operates the following supplementary businesses: Staffing Services – which specializes in elderly care and childcare – and Food Services – which provides meals at facilities such as nursing homes for the elderly, nursing schools and other educational facilities, and company cafeterias. HITOWA Group maintains a strong presence in its target industries, having established dominant positions in elderly care and childcare support services, particularly in Japan’s largest metropolitan area. HITOWA Group also has a nationwide network of over 2,200 service locations for its Franchise Business Services.

*Representing the total number of franchisees across all brands.

Yuji Kimura, Founder, President and CEO of Polaris Capital Group, added: “For the future growth of HITOWA Group, Polaris will offer the company its full support, working to raise its enterprise value by sharing know-how acquired through years of

highly successful investments, including into service providers and franchise service businesses. After the share acquisition, Polaris will dispatch several senior officers to HITOWA Group and work with the existing management team and employees to strengthen its business, providing comprehensive business and financial support ahead of a future share listing.”

Since CVC Asia Fund IV purchased a majority stake in HITOWA Holdings in 2016, CVC has worked closely with HITOWA’s management team to transform the company by expanding its network and improving customer satisfaction, ultimately raising EBITDA by more than 25%.

Atsushi Akaike Partner and Head of CVC Capital Partners' Tokyo office commented: “HITOWA is a fantastic company that has gone from strength to strength since our partnership began in 2016. We would like to thank the HITOWA management team and employees for all their hard work and wish them every success in the next phase of growth.”

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HITOWA Holdings Co., Ltd.

Founded: July 26, 2016 (originally as Hasegawa Kosan in February 1997)

Representative: Kenji Imada, President and CEO

Paid-in Capital: JPY 100 Million

Address: ARK Hills South Tower, 1-4-5 Roppongi, Minato-ku, Tokyo, Japan

Business: Development of Corporate Management Policies and Business Management

Website: <https://www.hitowa.com/holdings/>

Polaris Capital Group Co., Ltd.

Founded: September 13, 2004

Representative: Yuji Kimura, President and CEO

Paid-in Capital: JPY 100 Million

Address: GranTokyo North Tower 38F, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

Funds: Polaris Private Equity Fund I, L.P. (JPY 29.6 billion)
Polaris Private Equity Fund II, L.P. (JPY 31.9 billion)
Polaris Private Equity Fund III, L.P., etc. (JPY 52.0 billion)
Polaris Private Equity Fund IV, L.P., etc. (JPY 75.0 billion)

Website: <http://www.polaris-cg.com/us/>

CVC Capital Partners (“CVC”)

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