

Strategic Capital Alliance with Panasonic for Security Systems Business

Polaris Private Equity Fund IV, L.P., etc., managed by Polaris Capital Group, Inc., ("Polaris") have recently agreed to a strategic capital alliance with Panasonic Corporation ("Panasonic") to acquire 80% of the outstanding shares of the company ("New Company") to be newly established by Panasonic to succeed the Security Systems Business ("Target Business"), and signed Share Purchase Agreement and Shareholders Agreement today.

Over the past 60 years, the Target Business has developed its presence by combining advanced edge devices such as security cameras developed to meet the needs of the market, as well as software with features such as face authentication. Through these efforts, the Target Business has established a leading brand position in the security camera market in Japan. We believe that security-related businesses will grow in response to increase in the awareness for security and safety. The strategic capital alliance aims to support the New company in order to realize exponential growth in this segment.

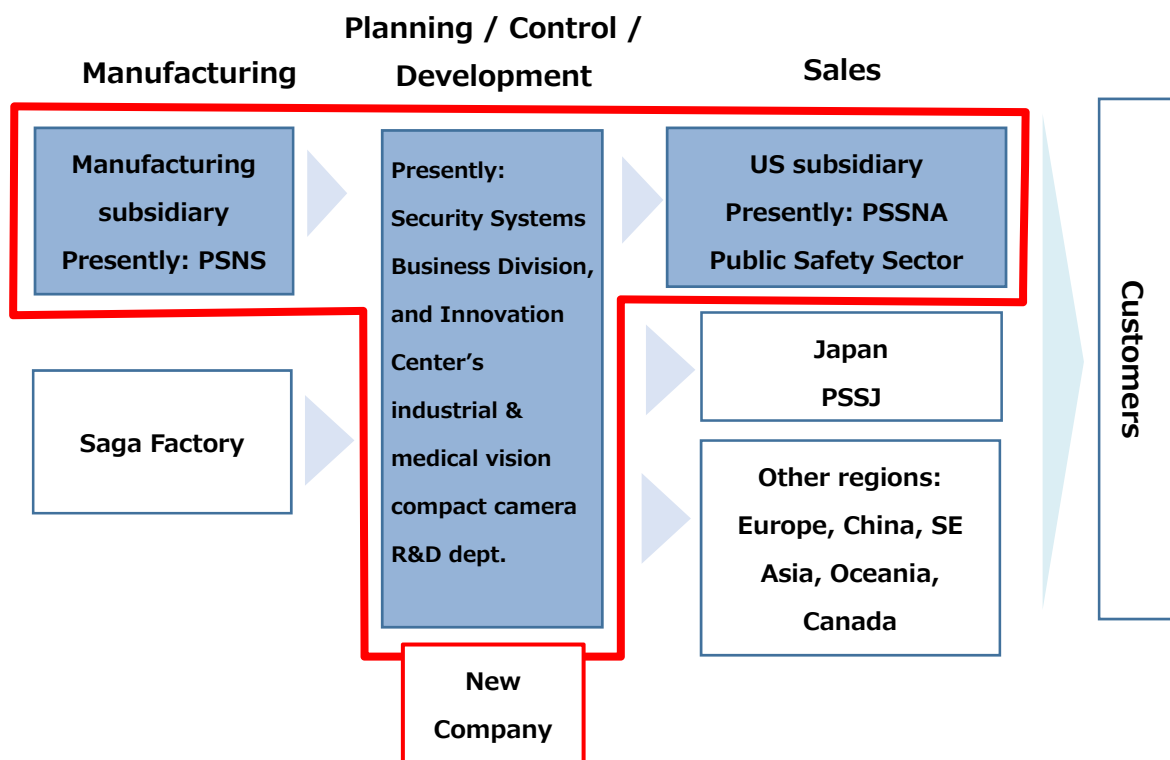
Polaris has experiences in multiple projects of strategic capital alliances with manufacturers and large-scale companies. Armed with the knowledge and experience cultivated in these projects, it will smoothly and rapidly build the structure necessary for an independent business, while maintaining a firm hand on the strengths and unique characteristics of the business. In addition, it is aimed to strengthen solutions capabilities with an eye to aggressive alliances and M&A strategies, leverage these strengths to expand its earnings base on a global scale, centered on the North American market, provide new products and services for the next generation, and expand sales of camera modules for medical devices. By steadily executing these strategies, the Target Business will strive to maximize its corporate value as an independent company toward IPO in the future.

The transaction is expected to be completed on October 1, 2019, subject to the approval of the relevant authorities.

Description of the New Company

The New Company will be formed with Security Systems Business Division of Connected Solutions Company of Panasonic as a main body and will include the industrial & medical vision compact camera R&D department of its Innovation Center. A company to be established by Panasonic Systems Solutions Company of North America (PSSNA) with its security sales and development division as the main body, and Panasonic Systems Networks Suzhou Co., Ltd. (PSNS), a Chinese unit that manufactures security cameras and other products would be subsidiaries of the New Company.

Name of the New Company	Panasonic i-PRO Sensing Solutions Co., Ltd.
Representative	To be determined
Address	To be determined
Shareholder	Polaris Private Equity Fund IV, L.P., etc. (80%) Panasonic (20%) (including indirect holdings)
Main business	Surveillance Systems Business (Intelligent Surveillance) Industry-Specific Businesses (Public Solutions) Modules Business (Industrial & Medical Vision)



After the establishment of the New Company, the New Company and Panasonic System Solutions Japan Co., Ltd. will directly provide Panasonic brand security cameras, software,

and other products to customers in the US and Japan respectively. In Europe, China, Southeast Asia, Oceania, Canada and other regions other than those mentioned above, sales companies currently in charge of sales will conclude contracts with the New Company to provide those products and services.

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
Managed fund	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	<a href="http://www.polaris-cg.com/">http://www.polaris-cg.com/</a>

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