

Sunrise Capital III's KK AB & Company has agreed to acquire Kalo Co., Ltd.

Tokyo – Wednesday, 3 October, 2018 – CLSA Capital Partners, the asset management business of CLSA, is pleased to announce that Sunrise Capital III's ("Sunrise III") portfolio company, KK AB & Company ("AB & Company"), has agreed to acquire 100% of the shares of Kalo Co., Ltd. ("Kalo"). Sunrise III is a CLSA Capital Partners fund that invests in established, mid-cap companies with strong growth potential in Japan.

The transaction is expected to be completed by the end of October 2018 and Kalo will become a subsidiary of AB & Company following the transaction.

Awarded a franchise by AB & Company (one of the largest beauty salon chains in Japan operating the Agu Group under the brand name "Agu") in 2015, Kalo has expanded to 10 salons (as of September 30, 2018), mainly in the southern part of the Greater Tokyo region. Following the transaction, Mr. Keiichi Yoshida, President and CEO of Kalo, will remain responsible for the management of Kalo. He will also join the management team of AB & Company and assist the Agu Group to continue achieving further growth along with the founder, Mr. Ichinose.

Since its inception in 2009, the Agu Group has consistently achieved double digit salon openings annually and currently manages approximately 310 salons across Japan. The Agu Group has expanded its business by providing high quality services at an affordable price to customers, offering a flexible and rewarding work culture to its hair stylists, and supporting the independence of hair stylists as franchise owners through its unique franchise system. Following the transaction, the Agu Group is targeting to grow its salon network to 1,000 salons nationwide in the next few years while remaining focused on delivering high levels of satisfaction to customers, hair stylists and franchise owners.

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About Agu Group

Agu Group manages approximately 310 beauty salons nationwide (as of September 30, 2018) from Hokkaido to Okinawa. In addition to the directly managed salons, approximately 20 franchise owners (as of September 30, 2018) operate salons under the Agu brand name. For more information visit <http://agu-hair.com/>

About Sunrise Capital

Sunrise Capital, a Japan-dedicated private equity strategy of CLSA Capital Partners, capitalises on opportunities in the mid-cap buyout sector. Sunrise Capital's unique features include an extensive "body-on" approach, which includes seconding professionals to assist portfolio companies in realising their growth potential, and support with overseas expansion through CLSA's global network. Sunrise Capital has raised approximately US\$1 billion to date and completed investments in 16 companies since its establishment in 2006.



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About CLSA Capital Partners

CLSA Capital Partners is the asset management business of CLSA, Asia's leading capital markets and investment group. Established in 1995, CLSA Capital Partners manages a diversified range of strategies including private equity, real estate, credit and transportation and real assets. From eight offices across Asia-Pacific including Hong Kong, Singapore and Tokyo, the firm's experienced investment teams aim to generate attractive returns for clients while ensuring sustained value creation for portfolio companies and investment partners. For more information, visit www.clsacapital.com. For more information about CLSA visit www.clsa.com.

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