

For Reference Only

October 11, 2019

Entry into a Strategic Partnership with Advantage Partners (H.K.) Limited

Tokyo Century Corporation (“TC”) is pleased to announce that it has entered into a definitive agreement of a strategic partnership with Advantage Partners (H.K.) Limited (“APHK”) to further strengthen its alliance with the Advantage Partners Group (“AP Group”) through acquiring 14.9% of its outstanding ordinary interest as well as subscribing for its equity financing. The transaction will close after obtaining necessary regulatory approvals including the approval required by the Securities & Futures Commission in Hong Kong.

1. Purpose of the Partnership

TC’s Specialty Financing has been leading TC’s growth under the business model combining “finance, service, and business expertise” through co-creation with prominent partners, establishing numerous collaboration frameworks with the leading companies of each fields as strategic partners. To achieve sustainable growth and prepare for the new stage as presented in the Fourth Medium-Term Management Plan commenced in 2019, the expansion and the growth of a unique business model is essential and TC will continue to seek to establish new frameworks with potential strategic partners, based on its accumulated success models.

TC has been engaging in the corporate investment area mainly through limited partnership investments in private equity and other investment funds. TC foresees corporate investment business as an area with further growth prospects providing solutions to social issues, management strategies, and management reforms driven by the recent business succession needs within small to mid-sized enterprises and the carve out needs derived by the increasing focus on the importance of selection and concentration process within large enterprises.

As a step to seek full scale entry into the corporate investment business, TC has been discussing with AP Group, the leading company within the Japanese private equity market, on an alliance to develop a business that further suits the needs of the society. After deliberation, TC has concluded to pursue this opportunity with a view that the strengthening of the partnership will lead to an increase in the corporate value of both parties.

AP Group is an independent corporation, establishing its business before the private equity market in Japan had developed and funds served by AP Group hold a leading track record within Japanese funds with respect to the number of investments, total amount invested and the total amount of return. Its strength lies in the value add expertise through providing management and business support to its portfolio companies, with members with various experiences in management consulting in addition to finance and accounting backgrounds.

Through this partnership, TC and AP Group will aim to integrate TC's diversified customer base and its financial expertise with AP Group's network and its hands on value add expertise and know-how. Together with expanding a new revenue base and establishing a highly competitive business model, TC will actively advance its contribution to resolving social issues through engagement in the growth of the invested entities.

2. Description of the Partnership

In this partnership, TC and AP Group will cooperate in areas including those set forth below and will seek further expansion of business opportunities and establish a new business area through utilizing the parties' strength.

- (i) Expansion of investment opportunities through mutual utilization of network
- (ii) Cooperation in co-investments
- (iii) Financing and management support services for portfolio companies

Furthermore, through acquisition of APHK's ordinary shares and subscription of equity financing, TC will support the strengthening of the funding capabilities of AP Group, in addition to establishing a new core pillar of its group through the development of its corporate investment business. TC will also appoint one director to APHK through this partnership and envisions to make APHK its equity method affiliate in the future.

3. Overview of Advantage Partners (H.K.) Limited

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|---------------------------|---|
| (1) Company Name | Advantage Partners (H.K.) Limited |
| (2) Head Office | Unit 2710, 27/F The Center, 99 Queen's Road Central, Hong Kong |
| (3) Other Offices | Tokyo, Shanghai, Singapore |
| (4) Joint Representatives | Taisuke Sasanuma, Richard L. Folsom |
| (5) Business Description | Investment advisory, administration and operation of private equity funds in Asia including Japan |
| (6) Establishment | 2007 |
| (7) Number of Employees | 68 (on a consolidated basis as of September 2019) |
| (8) Main Subsidiaries | <ul style="list-style-type: none">• Advantage Partners, Inc.
Business Description : Services in investment activities and administration of private equity funds in Japan (including sourcing of investment opportunities, evaluation, management support post investment, M&A related advisory)
Establishment : 1992 (Commenced its services as the first Japanese buyout fund in 1997)• Advantage Advisors, Co., Limited
Business Description : Private solutions in public companies, services in investment activities and administration of funds in Japan
Establishment : 2018 |

4. Schedule

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|---|---------------------------|
| (1) Date of Business Alliance Agreement | 8 October, 2019 |
| (2) Date of Closing | January 2020 (tentative)* |

(* The closing is subject to satisfaction of the preconditions for execution, including completion of procedures required under the Securities & Futures Commission in Hong Kong.

5. Forecast

This transaction will have no significant impact on TC's consolidated performance for the fiscal year ending March 2020.

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(Note) This translation is prepared and provided for reference only. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.