



April 7, 2012

J-STAR Co., Ltd.  
Gregory Hara  
President & Representative Director

### J-STAR Receives the Turnaround of the Year Award.

This is to announce that the investment team of J-STAR, Co., Ltd. has been awarded the 2012 “Turnaround of the Year” award by the Turnaround Management Association in Japan, a non-profit organization dedicated to corporate renewal and turnaround management (Headquarters: Shinjuku, Tokyo, Chairperson: Yoshinobu Konomi, Website: [www.tmajapan.org](http://www.tmajapan.org)). The “Turnaround of the Year” award is presented to an individual or team who has orchestrated the most successful turnaround of a company or companies. J-STAR, Co., Ltd. was selected for the award for their involvement starting in 2009 with OLIVE des OLIVE Co., Ltd. (Head Office: Shimogyo, Kyoto City, Kyoto Prefecture, Representative Director: Nobuhiko Uchino, Website: [www.olivedesolive.tv](http://www.olivedesolive.tv)), Iki Iki K.K. (Head Office: Shinjuku, Tokyo, Representative Director: Takao Miyazawa, Website: [www.e-ikiiki.net](http://www.e-ikiiki.net)), and TSS Co., Ltd. (Head Office: Sagamihara, Kanagawa Prefecture, Representative Director: Teruo Konishi, Website: [www.tss.com](http://www.tss.com)) based on an evaluation of the corporate renewal decisions, execution, and results.

After developing a detailed turnaround plan, conducting a thorough investigation, and sitting down with top talent in the company, J-STAR, Co., Ltd. invested in OLIVE des OLIVE Co., Ltd. in May 2009. After the investment, an outside president and other talent were brought in to strengthen management, the financial position of the company was improved, and a profitable system was achieved in the domestic market, and the speed of growth in the overseas market (China) was increased. As a result, the number of employees was increased by approximately 20% and around a 10% increase in the average yearly growth rate\* of sales was achieved. In addition, profits now exceed the industry average\*\*, and a debt-free status has been achieved.

A similar approach was used with Iki Iki K.K. Conversations were held with a variety of stakeholders, and plans were carefully considered and then the investment made in May 2009. After the investment, a new president, a new editor, and other talent were

# *J-STAR*

brought in to strengthen management. In addition to the improvement of the financial position of the company, the business processes were improved by increasing efficiency and transparency, which resulted in a profitable system. The fullness of the product and strategy were increased and greater customer satisfaction was realized. The total number of employees was increased by approximately 20%, and around an 8% increase in the average yearly growth rate of sales was achieved\*. In addition, the rate of profit margin now exceeds the industry average\*\* and the company is free of debt.

TSS Co., Ltd. has one area of business and research that looked promising and an industry group requested assistance for the company. After investigating the situation and industry, J-STAR, Co., Ltd. invested in the company in February 2009. After the investment, a president and a general manager of administration were brought in from outside the company, and the management of the company was stabilized. New customers are now being approached, and the production system is being upgraded. The company began to make a profit in the December 2011 period, and is entering a stage where they can plan for growth.

The investment policy of J-STAR, Co., Ltd. is to strive to make equity investments in line with business solutions, to maximize the satisfaction of stakeholders with different goals, and to create added value. At our company, although we do not specialize in turning around companies, in OLIVE des OLIVE Co., Ltd., Iki Iki K.K., and TSS Co., Ltd. we found opportunities in line with our investing policy of making equity investments align with business solutions by working with the legal revitalization process. In the future, we will endeavor to both maximize investor profit and maximize social public welfare with our investment decisions.

\*The first fiscal year of both corporations included only 10 months, and the given numbers have been adjusted for a 12-month year.

\*\*Refers to SPEEDA

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# *J-STAR*

J-STAR Co., Ltd. (<http://www.j-star.co.jp/en/>)

Founded in 2006 as independent Japanese firm, J-STAR is mainly involved in private equity investments for private companies. Management rights are acquired from the company to undertake management buyout (MBO) investments that improve corporate value. J-STAR has the following three standards for investment: (1) a superior management team and staff, (2) ample potential for increasing added value through the contributions of fund managers and (3) a uniqueness / superiority of market status and business models. Following these standards, we focus on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, J-STAR invested in more than 12 transactions in various industries such as consumer goods, B to B/B to C service, Healthcare, Environment, and Manufacturing.