

Press Release

March 29, 2019  
TOKIWA Corporation

## **TOKIWA Corporation to Form Strategic Business and Capital Alliance with The Carlyle Group**

**Tokyo, Japan** - TOKIWA Corporation, a global cosmetics company, engaging in the research, development and manufacturing of cosmetic products (Headquarters: Nakatsugawa, Gifu; "TOKIWA"), today announced that it has agreed on a strategic business and capital alliance with The Carlyle Group (Head of Carlyle Japan: Kazuhiro Yamada, Headquarters: Washington D.C.; "Carlyle"), with the aim of accelerating its growth in overseas markets and becoming a "valuable global company that can continue to grow forever."

Carlyle is a global investment firm with \$216 billion of assets under management as of December 31, 2018. As one of the first global players to enter the Japanese market, Carlyle has engaged in investment activities in Japan since 2000, with 25 investments. In addition, Carlyle has a track record of successful investments in cosmetics companies, including Philosophy, Vogue International, as well as prestige brands such as Moncler. Its investment portfolio includes Oyatsu Company, Ltd., a savory snack manufacturer that has established a nationwide brand "Baby Star"; Meisui Bijin Factory Co., Ltd., a manufacturer of the best-selling bean sprouts brand in Japan; and Orion Breweries, Ltd., one of the most popular breweries in Japan that has the largest share of the beer market in Okinawa. Carlyle, with deep roots in Japan, has a strong track record of supporting Japanese companies' business expansion overseas, as well as enhancing their operational efficiency and strengthening their management infrastructure.

Through the alliance, Tokiwa will work with Carlyle to establish itself as a global leader in the cosmetics manufacturing industry, by expanding its business operations and its footprint not only in Japan but globally. TOKIWA will leverage Carlyle's in-depth knowledge of the cosmetics and consumer industries, corporate management skills, as well as its global network, to strengthen marketing efforts and brand positioning in the growing global cosmetics market and lay the foundations for overseas expansion. This will enable TOKIWA and its partner companies to achieve further growth and deliver additional value to consumers, and realize its corporate philosophy to become a "valuable global company that can maintain sustained, long-term growth". The current management members of TOKIWA, led by Executive Vice President Hitomi Hibino and executive officers, will continue to lead the business.

Yusuke Watanabe, Director of the Carlyle Japan advisory team, said, "We are very pleased to have been chosen as TOKIWA's strategic partner. We will work to enhance TOKIWA's business operations, assist its marketing efforts, and expedite the company's domestic and overseas expansion. We look forward to working with TOKIWA as the company continues to create 'beauty, emotion and joy' for its customers around the world."

Hitomi Hibino, Executive Vice President of TOKIWA, said, "Since our founding, we have continued to change and innovate. With 'Sustainable Innovation' as our motto, we have always strived to turn our customers' confidence into lasting trust. We are pleased to work with Carlyle, which has a proven record in Japan and will add impetus to our organization's initiatives."

Carlyle's equity for this transaction will come from Carlyle Japan Partners III, L. P., Carlyle's third buyout fund in Japan.

### **About The Carlyle Group**

The Carlyle Group (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across four business segments: Corporate Private Equity, Real Assets, Global Credit and Investment Solutions. With \$216 billion of assets under management as of December 31, 2018, Carlyle's purpose is to invest wisely and create value on behalf of our investors, portfolio companies and the communities in which we live and invest. The Carlyle Group employs more than 1,650 people in 31 offices across six continents.

The Carlyle Group is the only global investment firm that has dedicated Japan buyout funds denominated in Japanese yen. Carlyle's Japan buyout funds, which have made 25 investments in Japan, have experience supporting Japanese companies' business expansion overseas, enhancing their operational efficiency and strengthening their management infrastructure.

### **About TOKIWA Corporation**

<b>Company Overview</b>	
<b>Name</b>	TOKIWA Corporation
<b>Establishment</b>	July, 23, 1948
<b>Head Office</b>	3-20, Momoyamacho, Nakatsugawa, Gifu
<b>Business Description</b>	Research, development and manufacturing of cosmetics (for detail, please refer to the website: <a href="https://www.tokiwa-corp.com/">https://www.tokiwa-corp.com/</a> )
<b>Key Subsidiaries</b>	TOKIWA HOLDINGS AMERICA, INC. (US) TOKIWA COSMETICS AMERICA, LLC. (US) KUNSHAN TOKIWA COSMETICS CO., LTD. (China) TOKIWA SUBIC CORPORATION (Philippines) SONAX CORPORATION (headquartered in Saitama, Japan)

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