



## Press Release

### **C-United announces agreement to purchase Pokka Create**

**[Tokyo / Hong Kong, 10 February 2022]** The Longreach Group (“Longreach”) today announced that its portfolio company C-United Co., Ltd (C-United) has reached an agreement with Sapporo Group Foods Co., to purchase 100% of the shares of Pokka Create Corporation (“Pokka Create”).

Since its establishment in 1994, Pokka Create, through its main brand Café de Crie, has been a prominent player in the café industry in Japan. By offering a variety of seasonal menu items and comfortable space and service, Café de Crie has established a strong brand that is well supported by a wide range of customers. Pokka Create currently operates more than 200 stores across Japan.

Longreach invested in Kohikan Co., Ltd. in 2018 and in Chat Noir Co., Ltd. in 2020. Subsequently, the two coffee chains were integrated to form C-United in April 2021. By promoting a multi-brand strategy centered on the self-service "Veloce" and full-service "Kohikan" brands, and by seamlessly and efficiently utilizing the management resources and know-how accumulated by the previous two companies, C-United has created business synergies, enhanced the strengths of each brand, and improved the value propositions for their respective target customers.

Longreach considers the acquisition of Pokka Create an exciting opportunity to accelerate this multi-brand strategy and to further reinforce the capabilities and resources of C-United. Café de Crie is differentiated from C-United's existing brands in terms of target customers, price range, value proposition, and location, and each brand is highly complementary. With this acquisition C-United is building a new future of café culture in Japan for the post-COVID-19 era as the leading player specializing in cafés, with the three strong, complementary brands - Kohikan, Veloce and Café de Crie - encompassing approximately 600 stores.

The acquisition of Pokka Create, with the resulting investment in Café de Crie, is being executed as a “bolt-on” acquisition by C-United, supported by capital from Longreach’s Longreach Capital Partners 3 Funds. The investment also reflects a Longreach core investment focus: investing in the specialty consumer sector, in robust middle-class consumer segment businesses with clear revenue and profitability growth paths.

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**Background on The Longreach Group (URL: <http://www.longreachgroup.com/>)**

The Longreach Group is an established independent private equity firm with offices in Hong Kong and Tokyo. The Firm focuses on Japan and related Greater China control buyouts in the industrial and technology, consumer related, and business services sectors. The Firm manages three Funds which have accumulated approximately US\$2.1 billion of committed limited partner and co-investment capital and has a strong track record of portfolio company value creation and realizations.

The Longreach Group Companies include the funds that serve as the investment companies, The Longreach Group Limited, which is based in Hong Kong, and The Longreach Group, Inc. which is based in Tokyo, Japan. The Longreach Group, Inc. collects and analyses data and information concerning the Japanese and Asian markets and assists The Longreach Group Limited in identifying potential investment opportunities.

**Background on C-United Corporation (URL: <https://c-united.co.jp/>)**

C-United is a café chain management company formed through the merger of Kohikan and Chat Noir in April 2021. As of January 2022, C-United operates 218 full-service cafes (including franchised stores), with Kohikan as its mainstay, and 177 self-services cafes, with Veloce as its mainstay. The name "C-United" is derived from the first letter of the words "Coffee" which is our core business, "Creativity" and "Chemistry", and the "United" for united forces. Our corporate philosophy is to "make people happy through the creation and development of coffee culture," and we operate our business every day with the pride of being a part of the café culture in Japan.