

Press Release

Longreach announces agreement to purchase Blueship as Japan Systems' bolt-on investment

Tokyo / Hong Kong, 11 April 2023 The Longreach Group ("Longreach") today announced that Daylight Holding L.P. ("Daylight Holding"), the parent company of Longreach portfolio company Japan Systems Co., Ltd. ("Japan Systems"), through its investment vehicle JB Holdings, has reached an agreement with Mr. Hiromi Keimatsu, the founder and largest shareholder of Blueship. Co., Ltd. ("Blueship") and other shareholders, to purchase 100% of Blueship shares.

Blueship is an IT service company specializing in SaaS solutions. Since its establishment in 2004, Blueship has grown to around JPY 1.6 billion in revenue, driven by its business model of building on the deep trust of clients and business partners, to grow its various IT and digitalization services. Clients include public organizations and private enterprises where Blueship delivers digital transformation ("DX"), including as a SaaS solution provider via the ServiceNow platform. Blueship's success and continued growth also follow from the execution of its mission: "By offering solutions highly appreciated by our clients, Blueship's development and prosperity should contribute back to a society".

LCP3 and its co-investment partnership vehicle (collectively, "Longreach") previously acquired 100% of the shares of Japan Systems through Daylight Holding in 2021. Since then, through new management resources and Longreach's value creation plan, Japan Systems has been providing more diverse offerings, including accounting software and DX solutions for a wider customer base in municipalities and corporate customers.

The acquisition of Blueship is being executed as a bolt-on acquisition for Japan Systems, enabled by follow-on capital from Longreach's Longreach Capital Partners 3 Funds. Through this bolt-on and follow-on acquisition, Japan Systems and Blueship, as one group, will expand and deepen capabilities to deliver DX solutions to their customer base and will achieve significant business synergies. In particular, delivery of more sophisticated solutions to a broader range of customers in the public sector will be possible by leveraging Japan Systems' strong customer base and recruiting/education knowhow, combined with Blueship's unique and highly complementary DX solutions capabilities and customer base.

The bolt-on acquisition also reflects a Longreach core investment focus: investing in and supporting unique and established technology sector businesses, with robust customer segments and clear revenue and profitability growth paths, including through bolt-on and platform building acquisitions. Notably, the investment also is an ESG value creation opportunity, as Blueship's solutions contribute to the reduction of paper resources, the improvement of working environments, and the advancement of community contribution activities, especially in public organizations

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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 Japan Systems (URL: https://www.japan-systems.co.jp/)

Japan Systems provides system integration services to Japanese domestic enterprises across diverse industries including financial services, telecommunication and infrastructure, as well as proprietary public accounting software and systems integration services supporting Japanese municipalities with over 50 years of history. Based on its management philosophy "Human resources as the source of corporate value" and its corporate concept "Driving for NEXT NEW", Japan Systems plays a vital role to help enhance digital transformations of society.