



May 7, 2012

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

Announcement of Three Arrows Inc. share acquisition

This is to announce that our wholly managed and operated J-STAR No.2 Investment Limited Partnership has established TA Holdings K.K. (“TAH”). We also announce that on April 24, 2012, TAH successfully acquired all issued shares of Three Arrows Inc. (Headquarters: Tokyo, Representative Director: Junji Ito, Website: <http://www.iampet.com/>, “Three Arrows”).

Three Arrows was established in 2000 as a wholesale provider of pet related merchandize. Three Arrows manages consistent planning, production, importation and sales, controls a variety of merchandize including licensed material, and has created a business system that supports their customers at the point of sale (stores). As a result, the company currently possesses the top share in the pet clothing market, and is aiming to achieve a top share in the market of related merchandise.

Going forward, Three Arrows plans, with the TAH management team including Representative Director Ito who has contributed additional capital, to achieve the number one position in the domestic pet merchandise market (pet clothing, bedding, toys, etc.) and achieve stable growth through strategic planning and execution. With the purchase of the stock, J-STAR will actively support the management team as it works to enhance the growth of Three Arrows and create a management system structure.

In evaluating this investment, Trustees FAS and Trustees Consulting LLP provided accounting, tax, and business due diligence services. TMI Associates provided legal counsel, including legal due diligence work. Financing for the share acquisition was accomplished with joint funding from Aozora Bank and Mizuho Bank.

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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.