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For Release:

Phronesis Partners Co., Ltd.

## Investment in T.N. Corporation

New Paradigm Fund No.1 Investment Limited Partnership (“the Fund”) is pleased to announce that the Fund acquired the majority ownership of T.N. Corporation (“T.N.”, headquarter in Shibuya, Tokyo) from its founder and CEO, Ms. Erika Ukai. The Fund is managed by New Paradigm Fund No.1 LLP, in which Phronesis Partners engages as a partner.

T.N. is a nail polishing chain started in Sapporo, Japan in 2005. Having been incorporated as a company in 2012, it has rapidly grown through expanding its direct managed salons and franchise outlets. T.N. currently operates 77 salons throughout Japan and is ranked among the top three chains in terms of number of outlets. T.N. enjoys high reputation from broad base of customers, mainly from first-time users, owing to its stable quality of finish, quick treatment as well as the most reasonable pricing in the industry. T.N.’s unique standardized treatment method and accumulation of improved process and polishing materials and tools enabled this unique core value.

In order to realize T.N.’s growth potential, the Fund plans to inject additional capital after taking control stake. The Fund aims to help T.N. to be the nation’s No.1 nail salon chain in terms of number of outlets and customers and to realize T.N.’s corporate mission “Fulfill many women’s wish for beauty”. The road map includes strengthening of T.N.’s core value and to establish management infrastructures such as staff development and FC headquarter system. Ms. Ukai will remain as a minority shareholder and commits to continuously contribute to the management. The Company plans to reinforce the management team by recruiting management talent.

This is the first investment of the Fund established in 2015. It follows the Fund’s investment policy as “Growth Buyout”, aiming for sustainable growth of investees’ value by enforcement of management resources whilst inheriting the core value and corporate mission from its founder. The Fund is willing to continually contribute to the development of the society through its private equity investments into small and mid-cap

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companies, ultimately resulting in “good investments” into “good companies”.

The Fund is proud, for assessment of this investment, to appoint M-Theory Inc. as business due diligence advisor, Minerva Insight LLC as accounting and tax advisor, and Jinnouchi Law Office as legal advisor.

[About Phronesis Partners Co., Ltd.]

Phronesis Partners Co., Ltd. (<http://phronesis-partners.co.jp/english/index.html>) is a Japanese independent private equity firm established in 2013. We focus on small and mid-cap investments and aim for superior long-term return through “Growth Buyout”. “Growth Buyout” is a control buyout that achieves portfolio companies’ sustainable growth by strategic redirection and by providing financial and managerial support.

“Phronesis” is one of three wisdoms proposed by Aristotle. Different from other two wisdoms, “Episteme – scientific wisdom” and “Techne – technical wisdom”, Phronesis means “intelligent virtue”, often translated as “prudence” or “practical wisdom”. We aim to contribute to the development of the society by creating excellent investment opportunities. Our highly experienced investment team provides various supports, including strategic redirection by identifying core values and strategic issues as well as by providing managerial expertise to realize investees’ sustainable growth. We also operate “Phronesis Management Academy” to cultivate management talent to be appointed as investees’ management team members.

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