



## Press Release

### **Longreach Successfully Completes Tender Offer to Acquire Control of SANYO Electric Logistics**

**[Tokyo / Hong Kong, 16 July 2010]** The Longreach Group (“Longreach”) today announced that LS Holdings Co., Ltd. (“LS Holdings”), a special purpose company established under investment funds managed by Longreach, successfully completed its tender offer to acquire the issued and outstanding common shares of SANYO Electric Logistics Co., Ltd. (JASDAQ: 9379, “SANYO Electric Logistics” or “the Company”).

The tender offer closed on July 15, 2010, having commenced on 26 May. The number of shares tendered surpassed the minimum threshold of 7,679,800 shares, reaching 10,191,150, which represents 99.53% of the Company on a voting right basis. Settlement will commence from 30 July, 2010.

Longreach is enthusiastic about the prospect of partnering with SANYO Electric Logistics, which has established a solid platform in the Japanese logistics sector and is in a strong position to take advantage of the accelerating trend towards outsourcing logistics operations. Having already taken steps to maximize business opportunities in the growing Third-Party Logistics (“3PL”) area, the Company aims to establish a comprehensive 3PL offering that covers logistics services for sales, production and procurement operations. Another priority growth objective is to cultivate an overseas business platform to respond to the needs of customers shifting manufacturing operations outside of Japan.

Longreach will bring its broad business network and expertise and work in close partnership with the SANYO Electric Logistics’ management to execute these growth and value creation strategies.

Under a separate agreement, SANYO Electric Logistics agreed with former parent, SANYO Electric Co. Ltd., to continue existing business relations for a specified period of time after the conclusion of the tender offer. Under the terms of this agreement, SANYO Electric Logistics is planning to continue to use SANYO Electric’s brand, licensed trade mark, property, IT systems and other business resources under existing terms of use. In addition, SANYO Electric will reinvest part of the proceeds it receives to maintain a 5% minority stake in LS Holdings post the closing of the transaction.

Completion of the tender offer has resulted in conditions being met under JASDAQ regulations that require SANYO Electric Logistics’ shares to be delisted, which is expected to occur after the required regulatory processes are completed. This process is also aligned with Longreach’s objective of securing full ownership of SANYO Electric Logistics.

Following completion of the tender offer and settlement of related transactions, Longreach will call an Extraordinary General Meeting where the Board of Directors will be selected, with Longreach planning to appoint a majority of directors to the board. There will be no change to the status of current employees of SANYO Electric Logistics as a direct result of this transaction.



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

The Longreach Group is an investment firm established in October 2003 to focus on investments in strategically driven private equity opportunities in the mature industrial and technology, financial services, business services and consumer related sectors. The distinctive proposition behind Longreach is to create exceptional investment opportunities focusing on the Japan and Greater China region, by matching relationship reach and local cultural effectiveness with high value-added support for portfolio companies. In developing this approach, Longreach is focused on strategically driven private equity investments as its signature investment style.

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.

The Longreach Group's first fund closed in April 2006, and has made six investments to date, including McDonald's Co., Ltd., Japanese cable company OCC Corporation, major mobile content provider, CYBIRD Holdings, China's Asia Aluminum Group, and Taiwan's EnTie Commercial Bank.