



## Press Release

### Longreach launches Tender Offer to Acquire Full Ownership of SANYO Electric Logistics

**[Tokyo / Hong Kong, 25 May 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, will launch a tender offer to acquire all issued and outstanding common shares of SANYO Electric Logistics Co., Ltd. (JASDAQ: 9379, “SANYO Electric Logistics” or “the Company”) as a part of a series of transactions to acquire full ownership of the Company. In an announcement issued by SANYO Electric Logistics today, the offer is being made with the endorsement of the Company’s Board of Directors, which today passed a resolution of support and a recommendation to its shareholders to tender.


The tender offer price is 1,750 yen per common share, which represents a premium of 13.49% over the closing price on the JASDAQ Securities Exchange, Inc. (“JASDAQ”) (which merged with the Osaka Securities Exchange Co., Ltd. on April 1, 2010), on May 24, 2010 and a premium of 20.72% over the average closing price for the prior three month period. The closing prices until March 31 2010 are based on the share prices on JASDAQ. The tender offer is subject to a minimum threshold, requiring that 7,679,800 outstanding shares be tendered for the tender offer to proceed. Should the number of shares tendered not reach this threshold the Funds will not acquire any of the shares tendered.

LS Holdings concluded an agreement on the tender offer on 25 May with SANYO Electric Co., Ltd. (“SANYO Electric”), the parent company of SANYO Electric Logistics, under which SANYO Electric will tender all common shares it holds in SANYO Electric Logistics (representing 58.01% of the total holdings).

In a separate announcement issued by the Company today, SANYO Electric Logistics and SANYO Electric concluded a memorandum of understanding (“MoU”) on May 25, 2010, whereby they agreed to continue existing business relations for a specified period of time after the conclusion of the tender offer, subject to customary conditions. Under the terms of the MoU, 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 the proceeds it receives to maintain a 5% minority stake in LS Holdings post the closing of the transaction.

Longreach considers this to be an exciting opportunity to partner with a well known company in the growing logistics market. SANYO Electric Logistics has established a solid platform in the Japanese logistics sector, with a well established focus on consumer electronics. The Company is in a strong position to take advantage of the increasing trend towards outsourcing and has expanded its offering into the growing Third-Party Logistics (“3PL”) area. In addition, SANYO Electric Logistics can work with its broader customer base as they expand in Asia. Longreach will bring its broad business network and expertise to work in close partnership with the Company’s management to execute these growth and value creation strategies.

This press release may not be published, distributed or diffused in the United States of America. This press release is not an extension into the United States of the exchange offer mentioned herein and is not an offer to sell securities or the solicitation of an offer to buy securities in the United States.



The tender offer will commence on 26 May, 2010 and will be open for 37 business days, closing on 15 July 2010. As an upper limit of tendered shares has not been set, the completion of the tender offer may result in conditions being met under JASDAQ regulations that require SANYO Electric Logistics' shares to be delisted. Even if these conditions do not apply, since Longreach's objective is to secure full ownership of SANYO Electric Logistics, SANYO Electric Logistics' shares will be delisted.

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.

# # #

**Media contact:** Kreab Gavin Anderson - Hayden/Hattori/Wada: +81-3-5404-0640

**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. The distinctive proposition behind Longreach is to create exceptional investment opportunities focusing on the Japan and Asian 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.