



## Press Release

### Longreach launches Tender Offer for Japan Systems

**[Tokyo / Hong Kong, 24 December, 2020]** The Longreach Group (“Longreach”) and DXC Technology (“DXC”) today announced that JSL Holdings LLC. (“JSL Holdings”), a special purpose company established under investment funds managed by Longreach, will launch a tender offer (the “Offer”) to acquire common shares of Japan Systems Co., Ltd (Tokyo Stock Exchange JASDAQ: 9758, “Japan Systems” or “the Company”).

As communicated in the press release issued by Japan Systems, the Company’s board of directors/independent directors have passed a resolution in support of the Offer.

The tender offer price is JPY 590 per common share, which represents a premium of 44.25% over the closing price on 23 December 2020, a premium of 31.70% over the average closing price for the prior one-month period and a premium of 16.37% over the average closing price for the prior three-month period. The Offer is subject to a minimum threshold, requiring that 3,384,400 shares be tendered into the Offer in order for the Offer to proceed. Should the number of shares tendered not reach this threshold, JSL Holdings will not acquire any of the shares tendered. The period of the Offer is 31 business days from 25 December, 2020 to 15 February, 2021.

DXC currently is the majority shareholder of Japan Systems with approximately 54% of the voting shares of the Company and has signed an agreement to commit to sell all DXC’s holdings of the Company’s shares in support of the Longreach sponsored acquisition of Japan Systems. The Longreach tender offer has received the recommendation of a Special Committee established by the Company’s board of directors and has received the unanimous support of the disinterested directors on the Company’s board of directors.

DXC has committed to exclusively support the Longreach acquisition of Japan Systems due to Longreach’s experience and prior success in acquiring, nurturing and supporting the growth of Japanese businesses that it has acquired in carve-out transactions and going-private transactions, and Longreach’s commitment to the future success of Japan Systems. A pension fund affiliate of DXC will become a passive minority investor in the Longreach-led acquisition of Japan Systems via a Longreach managed co-investment fund in support of DXC’s continued commitment to Japan Systems.

In relation to the Offer, JSL Holdings has concluded a basic agreement (the “Agreement”) with DXC, the parent company of Japan Systems, under which DXC will not tender all common shares it holds in Japan Systems (representing 54% of the total shares outstanding) into the Offer. Under the terms of the Agreement, following a share consolidation, which will be conducted after the completion of the Offer, the Company will acquire all DXC’s holdings of



Company's shares through a share purchase at JPY 500 per share. The Company first will increase its capital through a third- party allotment to JSL Holdings and then will reduce capital in order to secure financial resources for the share repurchase.

Japan Systems provides system integration services to Japanese domestic enterprises across diverse industries including financial services, healthcare, manufacturing and transportation, as well as proprietary public accounting software and systems integration services supporting Japanese municipalities. Sales from system integration services to domestic enterprises and municipalities are driving the Company's sales growth, reflecting increasing demand for digital transformation in enterprises and municipalities in Japan.

Longreach highly values Japan Systems' engineering expertise across industries, including the financial, public and utilities sectors, strong relationship with various blue-chip customers and municipalities, and its established brand of proprietary public accounting software. Longreach is fully confident that the Company has potential for further growth in areas such as the modernization of legacy systems in the financial sector and digital transformation in public services where medium to long term growth is expected.

Longreach has extensive experience in carve-out transactions from leading corporations, including the acquisition of Fujitsu Component from Fujitsu Limited, and Nippon Outsourcing Corporation ("NOC") from Olympus Corporation, Via Mechanics, Ltd. from Hitachi, Ltd, and SANYO Electric Logistics Co., Ltd from Panasonic Corporation. Leveraging its experience from these precedent transactions, Longreach will accelerate Japan Systems' growth by providing support including financial assistance and the addition of management resources for developing and executing the Company's strategies.

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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 related control buyouts in the mature industrial and technology, consumer, business services and financial 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.