ORCHESTRA PRIVATE EQUITY

Orchestra Private Equity Korea
Seoul Finance Center 21FL
136 Sejongdaero Junggu
Seoul 04520 Korea

Orchestra Private Equity Japan
Sanno Park Tower 3FL
2-11-1 Nagatacho Chiyodaku
Tokyo 100-6162, Japan

FOR IMMEDIATE RELEASE

Contact:

Kyoko Hirata, Tokyo Office

Orchestra Private Equity

info@orchestraprivateequity.com

ORCHESTRA PRIVATE EQUITY CLOSED ITS 1st ACQUISITION IN JAPAN AND KOREA

Successfully established "Orchestra Private Equity I" and executed buyout of Maruman, a global golf equipment manufacturer and distributor, in both Japan and Korea

(July 7, 2017)

Orchestra Private Equity I, L.P., private equity fund ("OPE I") established by Orchestra Advisors Japan and Orchestra Advisors Korea ("Orchestra Private Equity" or "Orchestra"), is pleased to announce acquisition of 32% of total shares of Maruman & Co., Ltd. and 100% of total shares of Maruman Korea Co., Ltd. OPE I was established in Korea with limited partner participation primary from Korean institutions. The investment amounted to KRW 78 billion (or about USD 70 million) and the deal closed on July 7, 2017.

Maruman & Co., established in Tokyo in 1971 and listed on JASDAQ, manufactures and distributes "Majesty" brand golf equipment which occupies the largest market share in high-price luxury golf club segment in Japan and Korea. The company also participates in mid/low price volume segments through "Shuttle" and "Gold" brands. Also, Maruman Korea, established in Seoul in 2003, is the exclusive Korean distributor of Maruman golf equipment. Maruman Korea has outperformed the market over the last 5 years growing at an average of 12.3% CAGR.

Orchestra Private Equity plans to support Maruman's growth by expanding its luxury "Majesty" golf brand through (1) building differentiated premium customer and distributor relationships, (2) entering in to adjacent semi-luxury golf club segment, (3) partnering with OEM manufacturers to increase loyalty revenue stream, and (4) growing internationally through expanding customer base in Greater China and Southeast Asia.

"Orchestra is excited to partner with Maruman, which we see as a perfect match given Orchestra's investment thesis which aims to invest in Korean and Japanese mid-cap companies that can be scaled out geographically," said Jay Kim, Orchestra Private Equity Managing Partner. "Tighter synergy could be formed between two Maruman companies, and we are delighted that we can put our Japan-Korea expertise to work."

Orchestra's Sean Lee, Manager in Seoul, said that the firm found Maruman appealing for many reasons. "Orchestra was drawn to Maruman based on its highly successful and profitable "Majesty" luxury brand business," Lee said.

"In addition to growth in sales of "Majesty" brand, we also expect diverse upside potentials in golf apparel and golf ball businesses, geographical expansion, and cost savings. Relatively low EV/EBITDA Multiple was a plus."

Maruman marks the 1st acquisition for Orchestra Private Equity. Working with Kim and Lee on portfolio company operation are Hongjae Oh, Manager, and Kyoko Hirata, Manager, of Orchestra's Tokyo Office. KPMG served as financial advisor for Orchestra on the transaction, with KL Partners and Hibiya Nakata as legal counsels.

About Orchestra Private Equity

Founded in 2014 with offices in Seoul and Tokyo, Orchestra Advisors Korea and Orchestra Advisors Japan ("Orchestra Private Equity") focuses on acquiring controlled positions in companies in Korea and Japan that can be scaled geographically. Orchestra Private Equity specializes in investing in premier mid-cap companies and partners with strong management teams to grow portfolio company's EBITDA by 2~3x through add-on acquisitions and value-added growth. Particularly, Orchestra Private Equity enthusiastically secures proprietary deals leveraged on its 10 professionals' extensive local network in Korea and Japan. As of July 2017, Orchestra closed 1 deal and aspires to close 3~4 more by 2018. Please visit www.orchestraprivateequity.com for more information.

About Maruman & Co. Ltd. and Maruman Korea Co. Ltd.

Maruman & Co. Ltd. is a global golf equipment manufacturer and distributor. The company is listed on JASDAQ (7834). It is the owner and operator of "Majesty" golf brand which occupies the largest market share in luxury segment golf club markets in Japan and Korea. The company has 160 employees in Toyo headquarter, Chiba factory, and 10 sales offices domestically and globally. The company also operates health care business which distributes domestically in Japan via 60,000 retail accounts health supplement products and anti-smoking devices. Please visit www.maruman-golf.jp for more information.

Maruman Korea is the exclusive Korean distributor of Maruman golf equipment. The company has 60 employees in Seoul headquarter and Busan sales office. Please visit www.marumankorea.com for more information.

- End

ORCHESTRA
PRIVATE EQUITY