



Agreement on transfer of shares in Direx Corporation and transfer of subsidiary

TOKYO, November 18, 2009—RISA Partners, Inc. (“RISA Partners”) today announced that it has resolved to enter into a share transfer agreement with non-listed company Sundrug Co., Ltd. (“Sundrug”) regarding shares in Direx Corporation (“Direx” or “the target company”) currently held by a corporate investment fund operated and managed by RISA Partners along with shares in Direx to be acquired RISA Partnes via a tender offer.

RISA Partners operates and manages the RISA Corporate Solutions Fund (“the No. 1 Fund” or “RCSF”), a fund investing in the shares of domestic corporations and other such entities, and also the No. 2 RISA Corporate Solutions Fund (“the No. 2 Fund”) with total combined committed investment of ¥43.575 billion.

RISA Partners has now, as part of the investment exit strategy for the No. 1 fund, resolved to transfer Direx shares held by the No. 1 Fund to Sundrug (“the acquirer”).

It has also been decided that at the time of the share transfer, in consultation with Sundrug, RISA Partners will acquire from individual investors (Direx executives and other employees, etc.) all other shares of Direx that are not currently held by the RCSF, such that the combined ownership of Direx shares by RISA Partners and the RCSF will make Direx a wholly owned subsidiary. Following this, 100% of the shares of Direx will be transferred to Sundrug. RISA Partners will undertake a tender offer to acquire from individual shareholders the shares of Direx not currently held by RCSF. (For further information please refer to an announcement issued today, “Launch of tender offer for shares in Direx Corporation”)

As the operator and manager of RCSF, RISA Partners has consulted with the Direx management team regarding future management strategy, and in order to further increase the enterprise value of Direx, recognized that it was necessary to enter into strategic alliances with other companies. Following consultations, a selection process was conducted regarding the transfer of Direx shares (the “partner selection process”) and from amongst multiple proposals, the Sundrug proposal was determined to be the most appropriate. Following consultations between RISA Partners, the RCSF and the Direx management team, it was assessed that transferring the shares held by the RCSF to Sundrug would have



considerable merit for all parties involved, leading to the agreement on the planned share transfer.

As a condition of the transfer to Sundrug, it has been decided to conduct a single package transfer following the purchase of shares held by individual shareholders other than the RCSF, and RISA Partners has decided to acquire by tender offer all shares held by individual investors other than the RCSF. In completing this transfer RISA Partners will benefit as an investor in and operator and manager of the RCSF.

As a result of the share transfer, the No. 1 Fund will make its second investment exit, and looking ahead will aim for further suitable investment exits while continuing to increase corporate value at its other investments.

1. Objective of share transfer

As part of a management buyout (MBO) in November 2007, Direx acquired via a tender offer shares in Thanks Japan Corp (“Thanks Japan”), which was delisted from the Jasdac Securities Exchange Inc. in May 2008. A merger was conducted in June 2008 with Direx as the surviving company and Thanks Japan as the discontinued entity. Direx inherited the Thanks Japan business, and as of October 30, 2009 operates 136 discount stores in the Kyushu, Okinawa, Chugoku and Shikoku regions. RCSF invested in Direx as a financial sponsor at the time of the MBO, acquiring preferred shares (Class A shares, Class B shares, Class C shares and Class D shares).

Following the RCSF investment in Direx, RISA Partners and RCSF extended support in order to improve enterprise value following consultations with Direx, but given the business environment surrounding Direx, and competitive environment in its sales regions, it was recognized that in order for Direx to grow further it was necessary for Direx to form a corporate alliance that could be expected to generate synergies, rather than engage in business alone. Following sufficient consultations with Direx, RISA Partners and the RCSF conducted the partner selection process.

During the partner selection process, consultations were held with multiple partner candidates. After sufficiently examining expected synergies, transfer conditions and other matters, and following consultations between Direx, RISA Partners and RCSF, it was deemed that the proposal from Sundrug, a major drugstore chain, was the most attractive, and that forming an alliance with Sundrug would be the most appropriate means of



increasing the enterprise value of Direx.

RISA Partners and the RCSF have consulted with Sundrug and reached agreement on RISA Partners acquiring the ordinary shares and Class E shares held by individual shareholders other than the RCSF via a tender offer (“the tender offer”), following which RISA Partners will transfer to Sundrug all Direx shares held by RISA Partners and the RCSF. The Direx shares acquired by RISA Partners as a result of the tender offer will be transferred to Sundrug at an equivalent value to the purchasing price at the tender offer.

The decision to conduct the tender offer in the manner described above was based on two main factors, namely, 1) For RISA Partners, as the operator of the RCSF, coordinating the ordinary shares and Class E shares held by individual shareholders (Direx executives and employees, etc.) other than the RCSF is necessary in order to complete the share transfer, and 2) The share transfer will deliver optimal benefits to the RCSF, with RISA Partners also benefiting as an investor in and operator and manager of the RCSF. For further information on the tender offer please refer to an announcement issued today, “Launch of tender offer for shares in Direx Corporation”

2. Method of share transfer

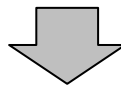
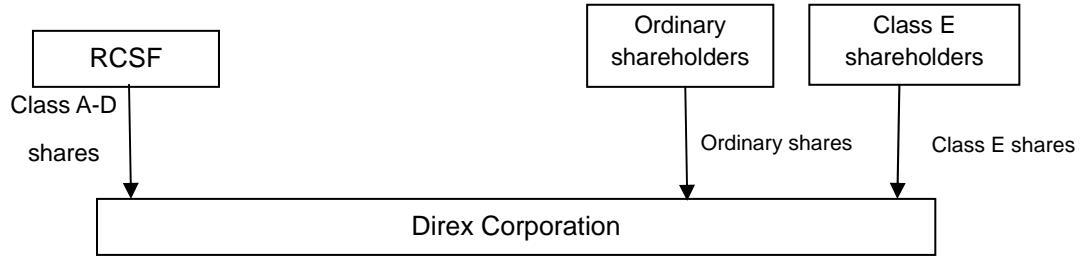
The following steps shall be taken when making the share transfer.

1. RISA Partners will conduct a tender offer for Direx with the object of acquiring all ordinary shares and Class E shares not held by the RCSF. Approval of the purchase of shares from shareholders subscribing to the tender shall be subject to the approval of the tender offer at a Direx board of directors meeting on November 18. RISA Partners has received the agreement of all shareholders holding ordinary shares and shareholders holding Class E shares that they will subscribe to the tender offer on the basis of their entire shareholdings.
2. As a result of this tender offer, all ordinary shares and all Class E shares, along with all Class A shares, Class B shares, Class C shares and Class D shares held by the RCSF or acquired at the tender offer, will be transferred to Sundrug. The transfer of ordinary shares and Class E shares to Sundrug shall be subject to the approval of the tender offer at a Direx board of directors meeting on November 18. The transfer to Sundrug is contingent on the total number of Direx shareholders being 25 or less following the tender offer, and that RISA Partners and the RCSF acquire written agreement from all said-shareholders regarding the share transfer to Sundrug, regardless of tender offer procedures.

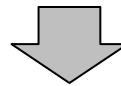
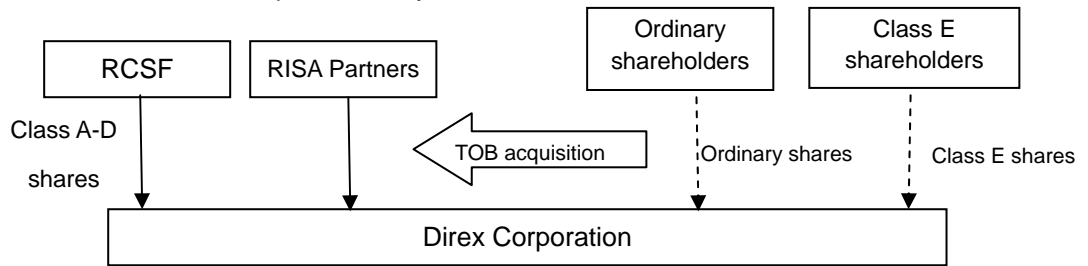


Outline of share transfer arrangement

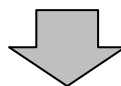
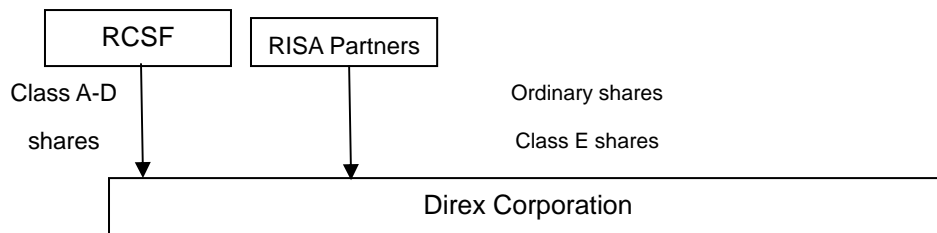
① Current situation



② RISA Partners to acquire ordinary and E-class shares via tender offer

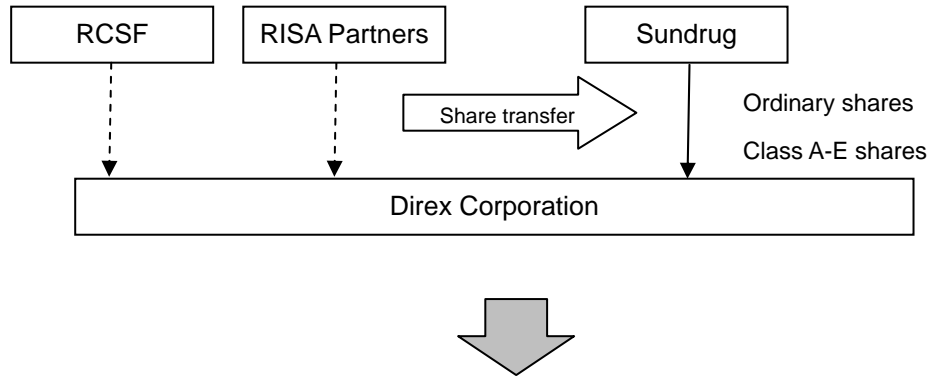


③ Situation immediately after TOB (Direx Corporation becomes a wholly-owned subsidiary)

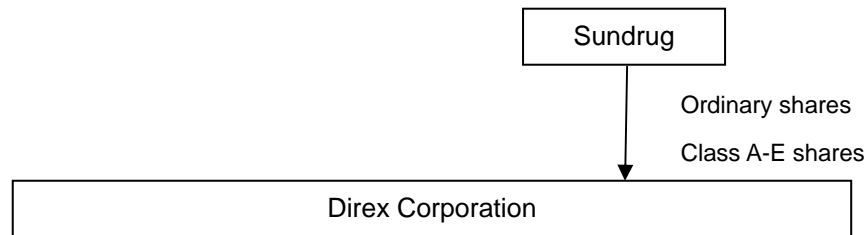




④ Transfer of all shares held by RISA Partners and the RCSF to Sundrug



⑤ Sundrug becomes holder of all Direx shares (Direx becomes wholly owned subsidiary of Sundrug)



3. Outline of subsidiary to be transferred.

On completion of the tender offer, Direx will become a subsidiary of RISA Partners. Immediately after this, all shares of Direx will be transferred to Sundrug, at which point Direx will no longer be a subsidiary of RISA Partners. An outline of Direx is as follows.

1.	Company name	Direx corporation																
2.	Headquarters	Nagase 930, Ooaza, Takakise-cho, Saga, Saga Prefecture																
3.	Representative	Hideaki Otsuta, President and CEO																
4.	Main business	Discount store operations																
5.	Capital	¥3,369 million																
6.	Date of establishment	July 9, 2007																
7.	Main shareholders and percentage of shares held (as of August 20, 2009)	<table border="0"> <tr> <td>RISA Corporate Solution Fund (Class A shares)</td> <td>32.17%</td> </tr> <tr> <td>RISA Corporate Solution Fund (Class B shares)</td> <td>32.17%</td> </tr> <tr> <td>RISA Corporate Solution Fund (Class C shares)</td> <td>32.17%</td> </tr> <tr> <td>Naoki Nishi (Class E shares)</td> <td>2.97%</td> </tr> <tr> <td>Shigeru Sugi (Class E shares)</td> <td>0.21%</td> </tr> <tr> <td>Hideaki Otsuta</td> <td>0.10%</td> </tr> <tr> <td>RISA Corporate Solution Fund (Class D shares)</td> <td>0.07%</td> </tr> <tr> <td>Yoshimasa Niiho</td> <td>0.06%</td> </tr> </table>	RISA Corporate Solution Fund (Class A shares)	32.17%	RISA Corporate Solution Fund (Class B shares)	32.17%	RISA Corporate Solution Fund (Class C shares)	32.17%	Naoki Nishi (Class E shares)	2.97%	Shigeru Sugi (Class E shares)	0.21%	Hideaki Otsuta	0.10%	RISA Corporate Solution Fund (Class D shares)	0.07%	Yoshimasa Niiho	0.06%
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	Katsuki Yamaguchi Shin Aoki	0.01% 0.01%
	<i>Note: Direx is conducting a 25:1 reverse share split on November 13, 2009 for Class A, B, C and E shares.</i>	
8.	Relationship, etc. between RISA Partners and the company	Capital relationship Nil applicable. RCSF, a special affiliate of RISA Partners, holds 8,660 Class A shares, 8,669 Class B shares, 8,660 Class C shares and 500 Class D shares.
		Personnel relationship One director of RISA Partners is concurrently a director of Direx.
		Transactional relationship Nil applicable. In addition, there are no transactional relationships between the affiliated persons or companies of RISA Partners and affiliated persons or companies of Direx.
9.	Three-year business performance	<i>Unit: Thousand yen</i>
	Years ended:	February 2007 February 2008 February 2009
	Consolidated net assets	10,486,788 11,034,535 8,988,674
	Consolidated total assets	28,374,068 27,880,969 30,182,112
	Consolidated net assets per share (yen)	979.09 1,044.12 1,103,139.92
	Sales	80,894,181 86,284,722 89,683,232
	Operating income	1,225,531 1,370,463 1,138,894
	Ordinary income	1,338,181 1,620,854 1,242,059
	Net income	710,681 841,587 2,626,676
	Net income per share (yen)	66.08 79.47 1,717,843.41
	Dividend per share (yen)	13.00 13.00 Class A shares: 126.00 Class B shares: 126.00 Class C shares: 126.00 Class e shares: 121.00

Note: Direx Corporation (the formally continuing company) on June 21, 2008 underwent a merger absorption with Thanks Japan (effectively the continuing company). Accordingly, of the items recorded above, for the years ending February 2007 and 2008, figures for Thanks Japan (the effectively continuing company) are based on the amounts recorded in the yukashoken hokokusho (business report) submitted on May 18, 2007 and May 19, 2008 respectively. Further, amounts for the year to February 2009 are based on the business report filed by Direx Corporation on May 18, 2009.

4. Outline of the acquirer

1.	Company name	Sundrug Co., Ltd.	
2.	Headquarters	1-38-1 Wakamatsu-cho, Fuchu-shi, Tokyo	
3.	Representative	Tatsuro Saito, President and CEO	
4.	Main business	Management of drug stores and sale and wholesaling of pharmaceuticals, cosmetics and general daily goods.	
5.	Capital	¥3,931 million	
6.	Date of establishment	April 8, 1965	
7.	Net assets	(consolidated) ¥65,681 million (as of September 30, 2009)	
8.	Total assets	(consolidated) ¥109,487 million (as of September 30, 2009)	
9.	Main shareholders and percentage of shares held (as of September 30, 2009)	Iriyuu Shoji Co.,	39.74%
		CB New York Orbis Funds	10.34%
		CV New York Orbis SICRV	9.43%
		Japan Trustee Services Bank, Ltd. (trust account)	4.30%
		The Master Trust Bank of Japan, Ltd. (trust account)	2.70%
		Naoki Tada	2.40%
		Takashi Tada	1.64%
		Trust & Custody Services Bank, Ltd. (trust account 4)	0.91%
Japan Trustee Services Bank, Ltd. (trust account 9)	0.79%		



10. Relationship, etc. between RISA Partners and the company	Capital relationship	Nil applicable. In addition, there are no material relationships between the affiliated persons or companies of RISA Partners and affiliated persons or companies of Sundrug.
	Personnel relationship	Nil applicable. In addition, there are no material relationships between the affiliated persons or companies of RISA Partners and affiliated persons or companies of Sundrug.
	Transactional relationship	Nil applicable. In addition, there are no material relationships between the affiliated persons or companies of RISA Partners and affiliated persons or companies of Sundrug.
	Related parties	Nil applicable. In addition, there are no material relationships between the affiliated persons or companies of RISA Partners and affiliated persons or companies of Sundrug.

5. Number of shares to be acquired and transferred, and outline of share holdings prior to and after the transactions

(1) Number of shares held prior to transaction	RISA Partners	0 shares
	RCSF	Class A 8,660 shares Class B 8,660 shares Class C 8,660 shares Class D 500 shares
(2) Number of shares to be acquired	RISA Partners	Ordinary shares 1,490 shares* Class E shares 856 shares* (Acquisition amount ¥771 million)
(3) Number of shares held after acquisition	RISA Partners	Ordinary shares 1,490 shares* Class E shares 856 shares*
	RCSF	Class A 8,660 shares Class B 8,660 shares Class C 8,660 shares Class D 500 shares
(4) Number of shares to be transferred	RISA Partners	Ordinary shares 1,490 shares* Class E shares 856 shares*
	RCSF	Class A 8,660 shares Class B 8,660 shares Class C 8,660 shares Class D 500 shares (Total transfer amount ¥9,500 million)
(5) Number of shares held after transactions	RISA Partners	Ordinary shares 0 shares Class E 0 shares
	RCSF	Class A 0 shares Class B 0 shares Class C 0 shares Class D 0 shares

Note: Denotes maximum number of shares to be acquired in the tender offer. Amount may vary depending on the outcome of the tender offer.

6. Schedule

Agreement on share transfer:	November 18, 2009
Tender offer period	November 19—December 17, 2009 (planned)
Tender offer settlement date	December 25, 2009 (planned)



RISA PARTNERS INC.

Share transfer date

December 25, 2009 (planned)

7. Outlook

Details of the impact of the share transfer on the consolidated results of RISA Partners will be announced as they become available.

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