

# JAPONICA PARTNERS

## FACT SHEET – 2021

1. **Founded:** 1987

2. **Raison d'être:** Building a track record creating transformational investments with low risk high return. Japonica's culture is to see what others do not see and to use "education-education-education" to accomplish what others believe is impossible.

3. **Building Blocks of Transformational Investments:** Japonica's transformational investments have three building blocks: discover systemic misconceptions, discover a massive undervaluation, and create extraordinary value.

4. **Transformational Investment Efforts:**

	Role	Tactics
<b>Greek Government Bonds (GGBs)</b>	One of the largest private owners of GGBs, improved Greek government public financial management. 8.9% peak ownership with a 27% veto blocking position.	\$3.8 billion (€2.9 billion) unmodified Dutch auction tender offer for select GGBs.
<b>Sunbeam-Oster Company (SOC)</b>	Majority stockholder and key C-level executive positions (chairman, CEO, and President). 99.2% peak ownership.	\$1.5 billion turnaround of Fortune 300 SOC (12.2x initial stock price in 3 years)
<b>CNW Corp.</b>	Largest stockholder in one of the largest railroad holding companies in North America. 8.8% peak ownership.	\$1.6 billion white knight tender offer and full board proxy for CNW
<b>Allegheny International (AI)</b>	Largest creditor and sole proponent of successful joint plan of reorganization. 35% of reorganization value.	\$690 million bankruptcy reorganization of Fortune 200 AI
<b>Borden Inc.</b>	Lead sponsor and global institutional investor organizer.	\$2.4 billion restructuring proposal of Fortune 100 Borden (withdrawn)
<b>TOTAL</b>		<b>\$10.0 billion</b>

5. **Performance Track Record:** Japonica's investment track record is an average 94% IRR and 4.6x return multiple on its equity and fixed income with initial estimated downside return of 1.9x.

	<u>IRR</u>	<u>Return Multiple</u>	<u>Downside</u>
<b>Greek Government Bonds</b>	37%	8.9x	2.8x
<b>Sunbeam-Oster Company</b>	104%	5.9x	2.0x
<b>CNW Corp.</b>	57%	2.2x	1.4x
<b>Allegheny International</b>	181%	1.3x	1.2x
<b>Borden Inc.</b>	n/a	n/a	n/a
<b>AVERAGE</b>	<b>94%</b>	<b>4.6x</b>	<b>1.9x</b>

6. **Superstructure Teams:** Japonica builds customized superstructure teams for each transformational investment and focuses on only one transformational investment at any one time. Superstructure teams span a comprehensive global landscape of the best and brightest in their niche.

7. **Social Responsibility:** Founded by the Charles & Agnes Kazarian Foundation to improve PFM and financial literacy. The Foundation is funded solely by affiliates of Japonica. Kazarian Foundation spending since founding plus fiscal year-end 2019 assets is over a quarter-billion US dollars (US\$270 million). Fiscal year-end 2019 assets were \$205 million. Revenue over the last three years was \$52 million.

8. **Website:** [www.japonica.com](http://www.japonica.com)

Japonica is not a fund and does not provide investment advice.

*Notes:* Greek Government Bonds Performance Track Record Return Multiple is a multiple on capital invested at exit, and was 4.3x initial capital. Borden restructuring proposal was withdrawn without investment.