



ORCHESTRA PRIVATE EQUITY

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FOR IMMEDIATE RELEASE

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ORCHESTRA PRIVATE EQUITY RAISED ITS 3rd FUND TO ACQUIRE HONG INTERNATIONAL AND HIC IN KOREA AND JAPAN

Established “Orchestra Private Equity III” and executed buyout of Hong International Co., Ltd. and HIC Inc., the largest global manufacturer and distributor of soft-tip darts machines under “Phoenixdarts” brand

January 31, 2019

Orchestra Private Equity III, L.P., private equity fund (“OPE III”) established by Orchestra Advisors Korea L.P. (“Orchestra”), is pleased to announce the acquisition of 86.3% of total shares of Hong International Co., Ltd. (“HI”) in Korea and 86.3% of total shares of HIC Inc. (“HIC”) in Japan. HIC is exclusive Japan distributor of HI. OPE III was established in Korea with limited partner participation from Korea and Japan. The total transaction volume of the deal is at KRW 122 billion (or about USD 109 million) where fund size equity investment amounted to KRW 72 billion (or about USD 64 million) and debt financing amounted to KRW 50 billion (or about USD 44 million). The deal closed on January 31, 2019.

HI and HIC were established in Seoul, Korea in 2009 and Tokyo, Japan in 1999. The companies manufacture and distribute “Phoenixdarts” brand soft-tip darts machines, which feature automated scoring, online gaming, and value-add membership services. Through superior product quality and marketing, “Phoenixdarts” machines quickly gained popularity in Japan and Korea, and HI grew to become a global key player operating 27,000 machines in 27 countries including Japan, Korea, China, Taiwan, Malaysia, Singapore, Spain, Portugal, Germany, and US. HI also regularly hosts international tournaments and professional leagues for promotional purposes. Its sophisticated tournament systems have received positive recognition from consumer groups, resulting in rapid increase of global membership subscriptions.

Orchestra Private Equity plans to maximize shareholder value by implementing revenue expansion strategies in core Japan, Korea, and Southeast Asia markets through introduction of new products and services. Orchestra also plans to expand into new markets with focus on Europe and USA that are still dominated by traditional corkboard-based darts.

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“Orchestra is excited to partner with HI, the industry leader with strong foundations in Asia and wonderful growth potential in Europe and US” said Jay Kim, Partner at Orchestra Private Equity. He further commented that “HI’s global scalability fits perfectly with Orchestra’s investment thesis which aims to invest in Korean and Japanese mid-cap companies that can grow into “Global Champions”. In addition, “Orchestra was drawn to HI because of its outstanding financial performance with high EBITDA margin through their globally recognized “Phoenixdarts” brand supported by a wide and dedicated customer base. Also, stable cash flow has been generated from soft-tip darts machines installed globally, through rental business model. It was attractive for financial investors”.

HI marks the third buyout deal for Orchestra Private Equity, reaching now to total fund size of USD 200 million. Deloitte served as financial and tax advisor, LAB Partners and Hibiya Nakata served as legal counsel, and L.E.K. Consulting served as management consultant on the transaction.

About Orchestra Private Equity

Orchestra Private Equity is an East Asia mid-cap buyout fund that acquires and builds Korea and Japan-based Local Companies into “Global Champions”. The company is a cross-border General Partner with main teams in Korea and Japan; and aims to acquire mid-cap companies to generate superior returns. The team at Orchestra Private Equity combines a long-term perspective on growth orientation with an ability to understand the intrinsic value of a business and the skill, discipline and patience needed to create equity value for its Limited Partners. As a General Partner, Orchestra members work with portfolio company management teams to make businesses more valuable through organic growth, geographic expansion, and add-on acquisitions in domestic and global markets. Please visit www.orchestraprivatteequity.com for more information.

About Hong International Co. Ltd.

Hong International Co. Ltd. is a global manufacturer and distributor of soft-tip darts machines and host to international darts tournaments. The company maintains the largest global market share at 27,000 machines in 27 countries. HI has headquarters and factory in Korea, and operates subsidiaries in Japan, China, Taiwan, Hong Kong, Malaysia, Singapore, and USA. Please visit www.phoenixdarts.com for more information.

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