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# Morgan Stanley

For Immediate Release

## **Morgan Stanley Private Equity Asia To Sponsor Management Buyout of Ten-Arrows**

TOKYO, September 19, 2008 – Morgan Stanley (NYSE: MS) announced today that an investment fund advised by Morgan Stanley Private Equity Asia (“MSPEA”), through two of its subsidiaries (the “Tender Offerors”), will launch a public tender offer to the shareholders of Ten-Arrows Co., Ltd. (OSE: 9885, “Ten-Arrows”) as part of a management buyout (“MBO”) transaction.

The Tender Offerors will initiate a public tender offer for all the shares of Ten-Arrows, excluding shares held by Ten-Arrows as treasury stock and those already held by the Tender Offerors. The tender offer is one step in a series of transactions to effect the privatization of Ten-Arrows as part of an MBO. This tender offer has been approved by Ten-Arrows’ Board of Directors.

Amid intensifying competition within the ladies’ innerwear industry, Katsuya Hayashi, Chief Executive Officer of Ten-Arrows, following close consultations with MSPEA and Hayate Investment Co., Ltd. (“Hayate Investment”), concluded that an MBO is the most effective way in which swift and fundamental business reforms can be implemented across the Ten-Arrows business, to create lasting value for the business and its stakeholders in the medium to long term.

Katsuya Hayashi and other founding family members have agreed to tender all the shares of Ten-Arrows which they directly hold in this tender offer. Once the tender offer is completed, several of the founding family members including Katsuya Hayashi will reinvest in Ten-Arrows through a fund advised by Hayate Investment. Katsuya Hayashi will continue to be fully engaged in the management of Ten-Arrows as its CEO after completion of the tender offer.

“We are pleased to announce this transaction, the first investment in Japan by Morgan Stanley Private Equity Asia Fund III which closed in October last year,” said Chin Chou, CEO of MSPEA. “We are excited to have this opportunity to support Ten-Arrows in implementing its plans for business reform, and to help guide the company toward its next stage of growth.”

Daiwa Securities SMBC Co., Ltd. and Daiwa Securities Co., Ltd. are acting as the tender offer agent and the sub-agent, respectively. For further details, please refer to the press release issued by Ten-Arrows today.

MSPEA is one of the leading private equity investors in Asia. The group has invested in the region for more than 15 years, developing one of the leading investment track records during that time. The group has made a number of investments in businesses throughout Asia, including most recently Nature Flooring, Dongxiang Sports and Shanshui Cement in China, Rotem and Norske Skog Korea in South Korea, E.Sun Bank in Taiwan and Asia Capital Reinsurance in Singapore. In

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addition, it previously invested in Belle International, Ping An Insurance, Mengniu Dairy, China Paradise and Hengan International in China, eAccess in Japan, HTL International in Singapore and Landmark Investment Trust Company in South Korea.

Morgan Stanley Private Equity, part of Morgan Stanley Investment Management's Merchant Banking Division, makes private equity and equity-related investments on a global basis. Morgan Stanley Private Equity utilizes Morgan Stanley's extensive resources, including the Firm's global franchise and relationships with leading corporates, management teams and financial sponsors, to source attractive opportunities for its investment funds. Morgan Stanley's roots in private equity investing date back to 1985 with the Morgan Stanley Capital Partners private equity funds. To date, Morgan Stanley Private Equity and its predecessor funds have invested nearly \$6.5 billion of equity across a broad spectrum of industries. For further information about Morgan Stanley Private Equity, please visit [www.morganstanley.com/privateequity](http://www.morganstanley.com/privateequity).

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