All for the enhancement of corporate value for portfolio companies.

Distinct from both investment funds and consulting firms: What is LBP's unique purpose?

Longreach Business Partners Inc.

Established in February 2023, Longreach Business Partners Inc. ("LBP") is an affiliate of The Longreach Group ("Longreach" or the "Firm"), a leading independent private equity investment firm founded in 2003 with offices in Tokyo and Hong Kong. LBP was established to provide high-impact, cost-efficient, on-the-ground value creation support across Longreach's portfolio companies.

Interview Participants

Mr. Kenji Komatsu / Chairman

Following roles in international business units at Mitsubishi Corporation and GE International Inc., Mr. Komatsu went on to hold senior management positions at leading global firms including President and Representative Director of Ecolab Inc. and Senior Managing Executive Officer of Sanden Corporation. He later joined Bain Capital Asia, where he was appointed President and CEO of Bellsystem24 Inc., a Bain Capital portfolio company, and helped lead a significant earnings improvement as well as the company's IPO.

He subsequently served as Business Management Advisor to Longreach and as Executive Vice President of Fujitsu Components Ltd., one of Longreach's portfolio companies.

Drawing on his leadership experience across private equity and portfolio company management, he led the establishment of LBP as a Longreach affiliate dedicated to supporting value creation across the Firm's portfolio companies, and now serves as the Chairman of LBP.

He also serves as an outside Audit & Supervisory Board Member of Kuraray Co., Ltd.

Mr. Akihiko Kanazawa / President & CEO

Mr. Kanazawa held senior roles at AlixPartners and A.T. Kearney, where he advised clients across a broad range of industries, including supporting the revitalization of Japan Airlines and profitability improvement initiatives in process and service industries. Earlier in his career, he held roles at Tonen Corporation (now known as ENEOS) and GE Capital spanning finance and accounting, corporate planning, and quality improvement.

He has also held a number of senior management roles, including President of Nissen GE Corporation (now known as Nissen Credit Service) as well as Director and Chief Business Management Officer of Bellsystem24 Holdings Inc.

Together with Mr. Komatsu, he was involved with LBP from the initial preparation stage and now oversees the LBP's overall operations as President & CEO.

He holds an MBA from the University of Chicago Booth School of Business.

Mr. Takuto Asano / Senior Director

As a leader in the Corporate Development Group of McKinsey & Company's Japan office, Mr. Asano supported the design and execution of enterprise transformation programs. He also served as a management consultant for a listed manufacturing company's three-year innovation program, covering business portfolio transformation, strategic planning, marketing, cash management, operational improvement, and cost reduction.

Before McKinsey, Mr. Asano worked in the nuclear business division at Sojitz Corporation, where he was involved in business management, financial management, and sales and marketing activities for subsidiaries. Since joining LBP in September 2023, he has been responsible for Asproad Holdings and Shin Nihon Jusetsu Corporation.

Mr. Kotaro Yamada / Director

Mr. Yamada supported company-wide strategy development, planning, and implementation on-the-ground at Frontier Management Inc. and other consulting firms. His M&A experience includes buy-side due diligence and post-merger integration work for private equity funds and portfolio companies. He also has deep experience in business divestitures, organizational transformation, business process re-engineering, system upgrade projects, and large-scale cost reduction initiatives.

Earlier in his career, Mr. Yamada worked at ADK, a major advertising agency, where he focused on marketing activities for clients.

He joined LBP in February 2023 and has been responsible for Japan Systems Co., Ltd. and Blueship Co., Ltd., a bolt-on investment of Japan Systems.

Q: LBP was established as an affiliate of Longreach. As founding members, what drew you to the business, and how did each of you come to join the firm?

Mr. Komatsu: I have seen first-hand how value creation and turnarounds can be achieved in portfolio companies backed by private equity firms. A private equity fund invests with a clear path to exit in mind, and one common approach is to bring in external managers to assume executive responsibility at the portfolio company.

Investment teams can set policy and strategic direction through board meetings, but it is difficult for the fund alone – or even together with a small number of external consultants – to engage deeply with frontline operations and day-to-day operating challenges. I felt there was a clear need for a specialist team that could integrate the fund's objectives, management's intent and capabilities, and the perspectives of employees in order to help drive value creation in a practical and sustained way.

After extensive discussions with Longreach's senior leadership, we concluded that establishing LBP was the right answer.

A third-party consulting firm remains, by definition, an outsider. Investment team personnel, on the other hand, may not always bring sufficient objectivity and on-the-ground capabilities. LBP's role is different. Our team spends most of its time on the ground within portfolio companies, working alongside employees and building a shared understanding of the business. Based on our first few years of experience, I am confident that LBP provides distinctive value both to portfolio companies and to Longreach in helping accelerate value creation.

Mr. Kanazawa: My background spans both consulting and corporate management, including executive roles at a private equity-backed portfolio company. Over time, I became increasingly convinced that many Japanese companies possess differentiated technologies and highly committed employees, yet too often fall short in management capabilities. That gap motivated me to focus on helping revitalize Japanese companies through stronger management execution. It was around that time that Mr. Komatsu approached me about the formation of LBP.

I was also attracted to the opportunity to work closely with mid-cap companies, where the impact of my contribution is visible and tangible. After roughly six months of detailed discussions among Longreach, Mr. Komatsu and myself regarding LBP's relationship with the Firm and the capabilities required of its members, we established LBP in January 2023.

Mr. Asano: Before joining LBP, I spent six years at a consulting firm. It was an excellent environment in which I developed substantially, but as I became more senior, I felt an increasing desire to move beyond an advisory role and become directly involved in corporate transformation and management reform.

I was drawn to LBP's philosophy of being truly operational inside the portfolio companies – working alongside them to transform the business and enhance value. I also found the model of full dedication to a portfolio company to be highly distinctive compared with the operating or portfolio teams typically found at other private equity firms.

Another key reason I joined was the opportunity to work with Mr. Komatsu and Mr. Kanazawa, both of whom have led significant management reform in practice. I also believed LBP would give me the opportunity to contribute meaningfully during its start-up phase while pursuing the kind of work I aspired to do.

Mr. Yamada: Across a number of consulting engagements, I built experience aimed at becoming a turnaround manager in the broadest sense – from corporate restructuring to renewed growth.

However, as I progressed into more senior roles, my own responsibilities became increasingly tied to the growth of the consulting firm itself rather than the growth of clients. While I remained motivated by helping companies improve, I felt a growing disconnect between that aspiration and the role I was expected to play.

Specifically, I was interested in joining a private equity value creation function because it would allow me to work closely with investment professionals. Through supporting the management teams of many clients, I came to appreciate how difficult investment decision-making can be. Capital deployment decisions – such as capital expenditure and M&A – are important to renewed growth, but the value creation process after investment is even more critical. By joining LBP and partnering closely with Longreach's investment team, I believe I can become a stronger partner to portfolio company management teams and support them all the way through to a successful exit.

The presence of Mr. Komatsu and Mr. Kanazawa was also a major factor in my decision to join LBP. It is a rare privilege to work in an environment where I can seek guidance at any time from two people with such deep management experience.

Q: What distinguishes LBP from both hands-on consulting firms and the operating or portfolio teams of other private equity firms?

Mr. Kanazawa: The fundamental difference from consulting firms that describe themselves as hands-on lies in their vantage point. Consulting firms remain third parties to their clients: they analyse, advise and recommend from the outside. By contrast, we operate inside our portfolio companies, embedding ourselves in the business and working alongside management and employees to drive value creation together.

A further distinction is that consultants are typically engaged to solve a defined problem. We are different. Our mandate is corporate value enhancement itself, which means we enter a company, identify the issues that matter most, and work with management to address them. In that sense, our model is not theme-given but theme-finding. Both our way of working and the role we play are fundamentally different from those of traditional consulting firms.

The time horizon is also very different. While consulting engagements are often measured in months, we commit over a far longer period – typically from Day 1 through to exit, which may span four or five years.

Compared with the operating or portfolio teams of many private equity firms, a key difference is our level of focus on each portfolio company. Those teams are often involved across multiple businesses simultaneously and may also spend a substantial amount of time on due diligence for new investments. LBP is different: we are dedicated exclusively to enhancing the value of Longreach portfolio companies, with a full-commitment model built around the needs of the businesses we support.

Q: From your own experience at LBP, how do you perceive the differences compared with other organisations?

Mr. Asano: I joined LBP immediately after the investment in Asproad. At that point, the company had not yet hired a CSO, but post-merger integration was already underway, and the environment was extremely intense. From the moment I joined, I had the opportunity to support one of the most important workstreams in budget formulation on a full-time basis, effectively stepping into part of the management team's role. What I found especially rewarding was the ability to work directly with management and employees on the ground – from identifying issues through to prioritising the actions needed to enhance corporate value – without being constrained by a narrow project scope.

Because our remit is corporate value enhancement itself, we can consider all available levers for improvement and commit fully to execution. Rather than concentrating on a predefined theme, we identify the issues with the greatest impact on value and then work deeply to help address them. I find it particularly rewarding that this approach allows us to understand the company's operating reality at a much deeper level than I ever could in a traditional consulting role.

Mr. Yamada: At the consulting firm, my priority was always to improve the client's value, but in parallel I also had to contribute to the growth of the consulting firm itself. At LBP, I am fully dedicated to enhancing the value of the portfolio companies I support, which means I can focus completely on the work I most want to do. The performance indicators we pursue are directly linked to improvements in corporate value, and that naturally creates a stronger sense of ownership and fulfillment.

Another source of LBP's distinctiveness is its status as an independent entity. Because our objectivity is structurally supported by our separation from the private equity fund itself, we can also serve as an effective bridge between the fund and portfolio company management.

Q: How would you characterise the relationship between Longreach and LBP? It seems relatively unusual for a private equity value creation function to be set up as a separate and independent entity.

Mr. Komatsu: Longreach respects LBP as an affiliated but independent company. As a result, LBP has full discretion over its own operational matters, including staffing. At the same time, we communicate with the Longreach investment team on a daily basis. Longreach brings a shareholder's perspective and a forward-looking strategy for the portfolio company, while LBP's role is to provide high-impact, on-the-ground value creation support. That distinction can lead to robust discussions, which we view as constructive and healthy.

Q: So, although LBP is an affiliate, it does not operate under the day-to-day direction of Longreach's investment team?

Mr. Komatsu: We work almost as an integral part of the portfolio company, so the perspective we gain from the field complements the perspective Longreach has as the investor. We communicate closely and regularly with the investment team on action plans and priorities, but we do not take operating instructions from them. The investment team defines the overall strategic direction through to exit. Our role is to translate that strategy into detailed action plans and refine those plans based on the realities we observe on the ground.

Mr. Kanazawa: LBP plays an indispensable role that is complementary to, but distinct from, the investment team's role. We respect one another and discuss issues as equal partners. That relationship has been built through the achievements of the founding members, together with the contributions of Asano-san, Yamada-san and others.

Mr. Komatsu: Private equity work spans a wide set of responsibilities, from sourcing and portfolio management to lender negotiations and the pursuit of successful exits. That breadth naturally limits the time the investment team can devote to any one portfolio company. LBP, by contrast, is fully committed to each portfolio company's value creation agenda through dedicated on-the-ground engagement. That depth of involvement provides a very different level of visibility, understanding and substance. In my view, LBP is an essential and unique part of Longreach's investment model.

Mr. Yamada: Because I am with the portfolio company every day, I naturally have a much more granular view of how strategy can actually be implemented. That makes it easier to identify the real challenges, determine what needs to be done to address them, and stay focused on the right execution path.

We speak regularly with Longreach colleagues about strategy, and I believe they place trust in us to assess the likely impact of each initiative and to prioritise implementation appropriately.

Q: How do you build trusted relationships with portfolio companies, and what principles matter most in doing so?

Mr. Asano: At a basic level, I believe it comes down to being the first one to act and deliver results. The key is to become someone that the organisation feels it can rely on. For that reason, I try to spend as much time as possible on the ground, listening to the voices of frontline employees as well as the management team. Even though LBP holds a weekly meeting for all members, participation often comes remotely from portfolio company sites because that on-the-ground presence is so important.

Mr. Kanazawa: Each member works with a high degree of flexibility – primarily face-to-face on the ground, while using remote communication where appropriate – and has been successful in building strong relationships with portfolio companies.

Mr. Yamada: In-person engagement remains very important for building trust. I feel that especially strongly during the start-up phase of a project, when being physically present on-the-ground matters most.

Mr. Komatsu: There is real value in working alongside portfolio company employees on the ground. Rather than standing next to the CEO at a distance, we roll up our sleeves and work through issues together with the organisation. The final execution remains with the company's employees and management, but we support the process right up to the point of execution. I believe that approach has been central to earning their trust.

Mr. Asano: One attraction of LBP is the degree of discretion we have in how we work. We identify the management issues that matter the most and focus our efforts where we believe we can create the greatest value. That may mean going directly into the field, or it may mean resolving an issue through remote discussions if that is more effective. It is a highly flexible way of working.

Mr. Yamada: I am currently responsible for portfolio companies in the IT sector, where the people on the ground are the ones who truly make things happen. By communicating properly with them, I can see clearly what is feasible, what will be difficult, and where the real barriers lie. Relationships are also a critical part of successful strategy execution. That is why we believe it is so important to be deeply engaged in on-the-ground operations.

Q:aWhat types of people would you like to hire into LBP going forward?

Mr. Kanazawa: At a foundational level, the ideal candidate is someone who aspires to become senior management in the future, wants to lead corporate transformation – including changes in culture – and is willing to work at the frontline, on the ground. We believe those mindsets are essential.

In terms of capabilities, the essential skills include understanding business models, building financial models and KPIs, and driving the PDCA (plan-do-check-act) cycle through hands-on execution. We regard this combination of mindset and skillset as indispensable for success at LBP.

Mr. Komatsu: The ability to conduct analysis independently is also important, because in many situations one person is working alone on the ground. Just as importantly, we want people who genuinely enjoy working alongside both executives and employees at portfolio companies.

Mr. Kanazawa: We are currently engaged on five projects, and we expect to expand the team as Longreach's portfolio grows. We welcome candidates with the mindset and skills I mentioned, as well as more junior talent with strong potential. Management experience is not necessarily required, but genuine interest in how businesses are run and managed is important. We have earned the trust of portfolio companies because we understand both their logic and their way of working.

I would also like to bring in junior professionals with the potential to grow into the level I mentioned over the course of two to three years.

Q: Finally, how would you describe the culture at LBP, and what do you find most compelling about working there?

Mr. Asano: In short, it is a very open organisation. I can speak with Mr. Komatsu and Mr. Kanazawa about anything, and they are always available to offer advice. Although I spend most of my time at portfolio companies, I still feel strongly anchored as a member of LBP, and I think that sense of being part of a team comes directly from the openness of the company.

Mr. Yamada: Candidates often ask during recruitment interviews about who they would consult with as they work through their projects. Mr. Komatsu and Mr. Kanazawa have a strong understanding of what is actually happening on the ground, so we can test our ideas and decisions with people who fully understand the realities we face. I see that both as a guiding principle and an important reference point in judging whether I am on the right path.

Mr. Komatsu: A private equity fund succeeds when its portfolio companies exit successfully. LBP contributes to that by helping create outcomes that strengthen both the portfolio company and the fund through sustained corporate value enhancement.

In that sense, enhancing corporate value is both our distinctive responsibility and the core rationale for LBP's existence. We remain committed to fulfilling that role to the fullest extent.

About this Article

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