

March 21, 2013

Press Release

New Horizon Capital Co., Ltd.

**New Horizon Capital Expands Fund Raising for NH-2 to Third Close
-- Targets up to 20 Billion Yen --**

Japan's leading independent private equity fund, New Horizon Capital Co., Ltd. (Head Office: Nishi Shinbashi, Minato-ku, Tokyo; Chairman and President: Yasushi Ando; hereafter NHC), announced that it raised over 10 billion yen for its 2nd fund "NH-2" for the second close and will expand this to 20 billion yen this coming June for the third close.

NH-2 successfully achieved 5.3 billion yen for the first close, which it expanded to 10 billion yen in the second close from January to March 2013.

Major investors in the fund include the Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (hereafter SMRJ), a regional bank, a credit bank, non-bank enterprises, and individual investors. Despite it being said that the fund-raising environment remains severe, our fund raising for NH-2 was successful, representing a positive evaluation of our past performance, and showcasing our potentially extensive role in the era of the post-SME Finance Facilitation Act strategy.

In the midst of monetary easing, bond price movements are hard to predict. As investing in the NH-2 Fund can provide a synergistic effect on main businesses, financial institutions showed strong interest in investing in NH-2. NHC therefore decided to extend its fund raising to June of this year as the third close, targeting 20 billion yen (the initial fund-raising target was 15 billion yen) as the size of the fund to increase the revitalization cases of small and medium-sized companies and industrial reorganization.

Both government and the private sector are seeking exit strategies for the SME Finance Facilitation Act, which will expire at the end of this month, as both the domestic and overseas business environment for small and medium-sized enterprises remains severe.

Effective measures call for the immediate development of innovative plans that aim to achieve mid-

to long-term industrial revitalization and corporate rehabilitation, exercising economic judiciousness and leveraging risk money in the private sector to promote these measures. NHC strongly believes that private equity funds with their extensive experience in industrial revitalization and corporate rehabilitation should be utilized as exit strategies.

NHC is a top-tier Japanese PE fund targeting mid-to-small cap buyout deals with more than 11 years of experience and a cumulative AUM of 230 billion yen. NH-2 is NHC's second fund and its 8th fund in total, including its record prior to the spin-off from Phoenix Capital. The NHC team has an excellent equity investment track record of 26 firms, including Mitsubishi Motors Corporation, Teac Corporation, Tokyu Construction, Fudo Construction, Seikitokyu Kogyo, Ichida, and Tsumura. NHC's track record includes more than 70 firms when debt investment transactions are included.

In recent years, NHC successfully revitalized Housetec, acquired from the Hitachi Group. Housetec successfully registered a recurring profit just one year into its business rehabilitation initiatives, and thereafter recorded four consecutive years of earnings growth by the fiscal year ending March 2012, despite the severe business environment, including the negative impact of the Lehman shock and revision of the Japan Building Standards Law. To ensure the further growth of Housetec's business, Housetec was sold last May to YAMADA DENKI, the leading Japanese consumer electronics retailer, which recently positioned a Smart House concept focused on its ECO-related businesses as one of its core growth engines.

For the third close, investments are expected from domestic pension funds, mega-banks, regional banks, life insurers, foreign pension funds, funds of funds and enterprises.

Yasushi Ando, Chairman and President of NHC, strongly believes that, "The right way to support the rehabilitation of small and medium-sized enterprises is to promote cooperation between independent PE funds that have a solid track record like we have and banks and financial institutions that are involved in corporate debt businesses. NHC continues to be committed to work toward the recovery of the Japanese economy."

For inquiries and further information, please contact:

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