

Press Release

March 18, 2014

New Horizon Capital Co., Ltd.

NHC Obtains Mag2 Management Rights with Possible Future IPO

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 today that NHC has officially decided to lead the constructive rehabilitation process for major e-mail publication distributor Mag2 (Head Office: Shibuya, Shibuya-ku, Tokyo; President: Ryosuke Komori), which develops and operates content distribution platforms and plans, develops and operates Internet media. The company will be an investment target for NHC's 2nd fund "NH-2" (expected AUM 17-20 billion yen).

NHC plans to support Mag2, which has been facing business growth difficulties due to management issues, including the scarcity of funds for developing systems, to improve its business expansion through a hands-on approach by placing NHC personnel on the Mag2 board and obtaining approximately two-thirds of the voting rights.

Mag2, Japan's largest e-mail publication distribution service, has been widely used by general Internet users, high-profile figures, corporations, public organizations and others as a simple-to-use information distribution tool that leverages the convenience and commonality of e-mail services. The Internet advertising market in Japan, which is one of the profit sources for Mag2, is demonstrating significant growth, especially in fields other than e-mail advertising, such as content-targeted ads and website banners. Market size is expected to be more than one trillion yen, and to become the second-largest advertising medium following television in Japan in 2013.

In this business environment, NHC, with Mag2's user foundation and know-how regarding e-mail publication distribution, will further develop systems and advertising solutions with the aim of expanding Mag2's distribution platform for millions who utilize a variety of digital media including websites, mobile applications, social networks and e-books. NHC will provide both the funds and the personnel to reach these goals.

NHC will control a two-thirds share of the voting rights by underwriting the capital needed for solution development by implementing an increase in capital through third-party allotments as well

as by transferring shares from major stockholders. As a result of a resolution made at the extraordinary shareholders' meeting held today, shares are to be transferred on March 24 and the payment of allocated capital will follow.

NHC Chairman and President Yasushi Ando mentioned that, "Mag2, which distributes e-mail publications, is a company that is playing a significant role in the growing Internet advertising industry. We highly expect that Mag2 will turn out to be a prominent, growing company with a comprehensive corporate governance system and a reinforced solution-development capacity. The investment period is expected to be three to five years, with the aim of a possible IPO in three years at the earliest."

【About NHC】

NHC is a top-tier Japanese PE fund targeting mid- to small-cap buyout deals with approximately 12 years of experience and a cumulative AUM of 230 billion yen. It was spun off from Phoenix Capital, which had been founded by Yasushi Ando. NHC has been managing two funds since its foundation and eight funds in total as Phoenix Capital and NHC.

The NHC team has an excellent equity investment track record of 27 firms, including Mitsubishi Motors Corporation, Teac Corporation, Tokyu Construction, Fudo Construction, Seikitokyu Kogyo, Ichida, Tsumura, and Husetec. NHC's record includes more than 80 firms when debt investment transactions are included. NHC is currently working with a variety of institutional investors, including banks, and on the third close of its second fund, NH-2, scheduled for the end of March.

For inquiries and further information, please contact:

Hideko Takee, IFC, NHC PR desk, phone: 813-5532-8921