

Press Release

June 30, 2014

New Horizon Capital Co., Ltd.

**NHC to Invest in Marumo Industry Co., Ltd.  
Aiming to Achieve Its Early Revitalization and Grow Its Business**

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 mid-sized forging manufacturer Marumo Industry Co., Ltd. (Head Office: Tokoname-shi, Aichi Prefecture; President Tomihiko Takeuchi; hereafter Marumo Industry). The investment was made from NHC's second fund, "NH-2."

Marumo Industry is a mid-sized forging and processing manufacturer that produces core parts for automobiles, motorcycles, ships and building materials and sells its products in Japan and Indonesia. The company's business has been unprofitable due to the economic downturn caused by Japan's deflationary economy and the Lehman shock. Therefore, it has not been able to receive enough financing for renovating aging production facilities both in Japan and Indonesia although industry demand has been recovering since 2012.

The "NH-2" investment in Marumo Industry is expected to total 1.5 billion yen. The capital is expected to be used to improve the company's production efficiency by promoting appropriate investments both in Japan and Indonesia and supporting Marumo Industry's growth strategy in the Asian market.

NHC made its decision to invest in Marumo Industry based on prospects for the company's growth strategy for the following reasons: 1) Marumo Industry has been manufacturing indispensable core parts for automobiles and ships, which are key industries in Japan; 2) it is highly likely that the company will be able to improve its profitability as there is room to increase its production efficiency and increase its profits through a precise understanding of the production cost structure and by seizing positive changes in the business environment; 3) the demand in Indonesia for Japanese manufacturers, which already have an overwhelming market share, could increase further; and 4) the demand from neighboring countries in Southeast Asia could also expand.

One of the roles of a Japanese PE is to rehabilitate and revitalize Japanese manufacturing companies such as Marumo Industry to maintain their precious technologies and ensure skilled and experienced workforces. This is critical for SMEs to prosper in this ever-changing global market, and NHC, a leading Japanese PE, has and will continue to invest to fulfill our responsibilities.

**【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 spun off from Phoenix Capital, which was founded by Yasushi Ando. NHC has been managing two funds since its foundation and eight funds in total as Phoenix Capital and NHC combined.

The NHC team has an excellent equity investment track record of 28 firms, including Mitsubishi Motors Corporation, Teac Corporation, Tokyu Construction, Fudo Construction, Seikitokyu Kogyo, Ichida, Tsumura, and Housetec. NHC's record includes more than 80 firms if it includes debt investment transactions.

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