

For Immediate Release

June 30, 2015

New Horizon Capital Co., Ltd

**NHC to Invest in Takeda Industry
To Sponsor MBO and Support Growth**

New Horizon Capital Co., Ltd. (Head Office: Nishi Shinbashi, Minato-ku, Tokyo; Chairman and President: Yasushi Ando; hereafter NHC), announced today that on June 29, the company's second fund, NH-2, has invested, as a Management Buy Out (MBO) sponsor, in Takeda Industry Co., Ltd. (Head Office: Kashiwa-shi, Chiba; President: Mitsumi Idomukai; hereafter Takeda Industry), major bicycles and bicycle parts manufacturing and distribution company.

NHC's investment will support the MBO being directed by Takeda Industry Chairman Hideyo Takeda, a member of the founder's family, as well as assist in enhancing the company's governance and encouraging its business growth toward Takeda Industry's intended issuance of an Initial Public Offering (IPO) within the next three years.

Takeda Industry, which has more than a 70-year history in its field, previously had dispersed its company shares as a result of inheritance and for other purposes. A private equity fund, ACA Group, acquired its shares through its ACA Synergy 2 Investment Limited Partnership. Subsequently, Mr. Takeda reacquired some percentage of the company's shares.

The primary characteristics of Takeda Industry that differentiate it from its competitors include 1) maintenance of high earnings despite the shrinking bicycle market in Japan, 2) continuous growth through the sales expansion of its major original brand Chacle, a no-puncture bicycle, 3) its position as a strongly competitive logistics company specializing in bicycles, with ownership of six out of eight of its logistics facilities in Japan, 4) sales of OEM products accounting for 50 percent of its total sales and development of a low-risk inventory business model, and 5) anticipation of further growth through its expansion into sales areas in Western Japan and Kyushu.

Regarding its business strategies, Takeda Industry plans to further improve recognition of Chacle products and increase the number of retail stores that handle them as well as release new Chacle products into the Japanese market after June 2015. In addition, the company also plans

to acquire logistics facilities in Western Japan and Kyushu as it expands into those sales areas. Through the implementation of these plans, Takeda Industry is targeting a Tokyo Stock Exchange listing after achieving revenue of 6~7.5 billion yen in sales (about one and a half times larger than its FY2015 1Q results).

【About NHC】

New Horizon Capital (NHC) is a top-tier Japanese PE fund targeting small- to mid-cap buyout deals with approximately 13 years of experience and a cumulative AUM of 250 billion yen. NHC was spun off of 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. The NHC team has an excellent equity investment track record of more than 30 firms, including Mitsubishi Motors Corporation, Teac Corporation, Tokyu Construction, Hitachi Hometec, Mag2, iae Holdings, Marumo Industry and Tachikichi. NHC's record includes more than 90 firms, including 31 equity investments.

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