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For Immediate Release

New Horizon Capital Co., Ltd.

### **NHC Acquires IHI Shibaura's Fire-fighting Equipment Business**

New Horizon Capital Co., Ltd. (Head Office: Minato-ku, Tokyo; Chairman and President: Yasushi Ando; hereafter NHC), a Tokyo-based private equity fund, announced today that the company's second fund, NH-2, has signed an agreement with IHI Shibaura Machinery Corporation (Head Office: Matsumoto-shi, Nagano; President: Seiichi Daita; hereafter ISM), a 100% owned subsidiary of IHI Corporation (Head Office: Koto-ku, Tokyo; President and CEO: Tsugio Mitsuoka; hereafter IHI), to acquire ISM's fire-fighting equipment business through a new company established by NH-2 to operate the business.

ISM began manufacturing and selling fire-fighting pumps upon its establishment in 1950. The company currently designs, engineers, manufactures and provides a wide variety of fire-fighting equipment, including portable fire-fighting pumps, as well as small fire-fighting vehicles, fire-extinguishing equipment, automatic diesel pumps, emergency water-purification equipment, and other fire-fighting products. In Japan, ISM has built long and stable business relationships with organizations including governmental and municipal offices, local governments and fire brigades. Core products of ISM's fire-fighting equipment business now hold a top share in the Japanese market. Leveraging its favorable market presence in Japan, the company also operates businesses overseas, particularly in emerging Asian countries, where the demand for fire-fighting and disaster-relief equipment has been on the rise.

With NHC's rich experience in acquiring curved-out businesses and providing value creation support, NHC plans to build sustainable management and operational schemes for the business. The new company will maintain and strengthen its existing networks of governmental and municipal offices, local governments, fire brigades and distributors across Japan. And by utilizing NHC's international networks, the company will continue to expand into the promising markets of emerging Asian countries and grow the business.

The acquisition will take place at the end of June 2017.

#### About NHC:

New Horizon Capital (NHC) is a top-tier Japanese PE fund targeting small- to mid-cap buyout deals, with approximately 15 years of experience and a cumulative AUM of 250 billion yen. NHC was 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. The NHC team has an excellent equity-investment track record, including Mitsubishi Motors Corporation, Teac Corporation, Tokyu Construction, Hitachi Housotec, Mag2, iae Holdings, Marumo Industry, Tachikichi, Takeda Industry and Shade3D. NHC's track record of more than 90 firms includes 37 equity investments.

#### About IHI Shibaura Machinery Corporation

Location: 1-1-1 Ishishiba, Matsumoto-shi, Nagano

Representative: President Seiichi Daita

Capital: 1,111 million yen (the end of 2016)

Sales: 28,800 million yen (the fiscal year ended March 2016)

Employees: 478 (as of the end of March 2016)

Business overview: Design, engineering, manufacture and sale of diesel engines, compact tractors, tractor components, golf & turf-care products in addition to fire- fighting pumps, water purification equipment, ozone sterilizers, fabricated materials, and electronic control devices.

#### About the new company (as of July 1, 2017)

Company name: TBD

Representative: President Seiichi Daita (TBD)

Location: 1-3-10 Minamihara, Matsumoto-shi, Nagano (TBD)

Business overview: Design, engineering, manufacture and sale of portable fire-fighting pumps, small fire-fighting vehicles, fire-extinguishing equipment, automatic diesel pumps, emergency water-purification equipment, and other fire-fighting products.

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