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For Immediate Release

New Horizon Capital Co., Ltd

### **NHC Invests in Showa Corporation**

New Horizon Capital Co., Ltd. (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC), a leading independent private-equity fund, announced today that the company's third fund, NH-3, has acquired all outstanding ordinary shares of Showa Corporation (Head office: Minato-ku, Tokyo; President: Motoo Takahashi; hereinafter Showa Corporation), an industry-leading company whose main pillar is the design, construction and maintenance of thermal insulation and the construction, manufacturing and sales of thermal insulation pipe-support fittings.

Showa Corporation has been an independent company for more than 60 years as a major player in the industry, engaging in the design, construction and management (engineering department) of thermal insulation for plant-related facilities such as those in the chemical, petroleum and electric power industries, as well as commercial facilities such as hospitals and schools, and the manufacture and sales (manufacturing and sales department) of thermal insulation pipe-support fittings.

As part of a growing interest in global environmental issues in recent years, Showa Corporation's thermal insulation construction business, its core business, plays a leading role in environmental conservation, which is expanding in quantity and also is expected to increase in quality. However, there are also uncertainties, which include Japan's declining population and the intensified competition accompanying industrial reorganization. Under these circumstances, NHC chose to invest in Showa Corporation as NHC believes it can support these tasks and solve the business's succession problem, which is the mission of a PE fund. NHC also believes that Showa Corporation can lead the industry through industry reorganization. NHC will continue to improve its corporate value and provide support by leveraging its growth-support experience and expertise and its multifaceted network.

NHC plans to replace the president and representative director and newly appoint two outside directors and one outside corporate auditor to form a new organizational structure at the extraordinary general meeting scheduled to be held on March 16.

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 three 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, Fudo Construction, Seikitokyo Kogyo, Ichida, Tsumura, Hitachi Housotec, Marumo Industry, Mag2, iae Holdings, Tachikichi, Takeda Industry, SnSnap, Shibaura Fire Pump Corporation, and Kawasaki Holdings. NHC possesses the largest track record of investment, having invested in more than 100 firms, including 39 equity investments, in Japan.

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