

December 25, 2019

For Immediate Release

New Horizon Capital Co., Ltd.

NHC Transfers All Shares of Showa Corporation to Chudenko

New Horizon Capital Co., Ltd. (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC), a leading independent private-equity fund, announced today that its third fund, NH-3, is going to transfer all of its stocks of SPC (Horizon 1), which holds all of the stocks of Showa Corporation Co., Ltd. (Head Office: Minato-ku, Tokyo; President: Masami Fujii; hereinafter Showa Corp.), to Chudenko Corporation (Headquarters: Hiroshima-shi, Hiroshima Prefecture; President: Akira Sakotani; hereinafter Chudenko). The actual transfer of stocks will be executed on February 3, 2020.

NHC has successfully achieved growth support for Showa Corp by implementing income improvement measures such as shifting to higher-profit products, building an overseas business infrastructure, improving of its logistics system, and strengthening its management and governance structure since it first acquired Showa Corp. stocks.

NHC decided to sell Showa Corp. stocks to Chudenko as the best counter partner for Showa Corp. to ensure that it will be able to achieve sustainable growth. Joining the Chudenko Group will add Showa Corp.'s high-value services in equipment construction. In addition, both companies will benefit through the collaboration and supplementary resources of their combined business foundations.

About NHC:

New Horizon Capital (NHC) is a top-tier Japanese PE fund targeting small- to mid-cap buyout deals, with approximately 17 years of experience and a cumulative AUM of 270 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 nine 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, Seikitokyu Kogyo, Ichida, Tsumura, Hitachi Housetec, Marumo Industry, Mag2, iae Holdings, Tachikichi, Takeda Industry, GENEROSITY, Shibaura Fire Pump Corporation, Kawasaki Holdings, LocalFolio, Showa Corporation and Kagayaku Cosmetics. NHC possesses the largest investment track record in Japan, having invested in more than 100 firms, including 40 equity investments.

About Showa Corporation:

Showa Corporation has been an independent company for more than 60 years (established in 1954) as a major player 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, and the manufacture and sales (manufacturing and sales department) of thermal insulation pipe-support fittings.

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