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For Immediate Release

New Horizon Capital Co., Ltd.  
Post Corona Recovery Co., Ltd.

## **Post-Corona Recovery Fund Established to Support the Restructuring of Businesses Damaged by the Corona Pandemic Across Japan and Promote Regional Revitalization**

New Horizon Capital Co., Ltd. (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC), and Post-Corona Recovery Co., Ltd. (Head Office: Minato-ku, Tokyo; President: Norio Hamada; hereinafter PCR) announced today the establishment of the Post-Covid Recovery Investment Limited Partnership ("Post-Corona Recovery Fund" or "the fund"). PCR was established by NHC, which carries out corporate revival through the purchase of loan claims. Post-Corona Recovery Fund is a business revitalization fund that targets companies throughout Japan that have fallen on hard times due to the Corona pandemic. It helps rebuild companies that should continue to exist in the region by purchasing their excess debt, and by other means. The fund will provide capital support for the purchased debt, including debt-equity swaps (DES), debt-debt swaps (DDS) and debt waivers with certain conditions, as well as support for capital increases and new loans, if necessary, as part of the revitalization process.

The Post-Corona Recovery Fund was launched on July 15 by seeking investment mainly from the Organization for Small & Medium Enterprises and Regional Financial Innovation and regional financial institutions and completing its first closing of approximately 8 billion yen. The fund is expected to have a size of around 12 billion yen in the near future, with many enquiries for further investments. The fund will invest in small and medium-sized enterprises, which are important for the regional economy, and will work together with regional financial institutions to support local companies.

The strength of the Post-Corona Recovery Fund is that, as a public-private partnership fund, it can transfer credits from government financial institutions. As an independent domestic fund, it can also work with its parent company NHC, which has experience in many hands-on at corporate revitalization and restructuring projects, to support the subsequent revitalization of companies nationwide.

Significance of the fund in revitalizing the local economy:

- Supporting debt-laden small and medium enterprises under the Corona pandemic to revitalize and regrow. Specifically, reducing debt significantly in excess of normal capability to repay.
- Restoring the fundraising capacity of small and medium enterprises in need of new facility investment and similar by strengthening their financial conditions.
- The implementation of socially responsible investment (ESG investment, SDGs of investee companies) through the revitalization and regrowth of target companies.

Significance of the fund for financial institutions:

- Normalization of potential or substantial bankrupt borrowers and reduction of bad loan disclosure.
- Fair and equitable transfer of claims through quasi-legal private liquidation, including the use of the SME Revitalization Councils and the new guidelines.
- Indirect support to regional financial institutions supporting the local economy.

Yasushi Ando, Chairman of NHC, said: "Even in this post-Corona phase, by using the Post-Corona Recovery Fund, which is to be set up separately from the flagship funds, banks can drastically address the excess debt of the companies they finance, while gaining tax benefits. It may also be possible to earn investment returns as an investor while contributing to the development of the local economy".

Organization for Small & Medium Enterprises and Regional Innovation, the largest investor in the fund, announced its decision today to participate "with the aim of providing investment for financial improvement and revitalization support to SMEs in predicament conditions due to excessive debt, but whose core business has reasonable earning power and is expected to revive".

Norio Hamada, CEO of PCR, said: "We want to work together with regional financial institutions to revitalize companies that have fallen on hard times as a result of the Corona pandemic. In particular, we urgently need to eliminate excessive debt that cannot be repaid".

Appendix: Post-Corona Recovery Fund scheme diagram.

**About NHC:**

New Horizon Capital (NHC) is a top-tier Japanese PE fund targeting small- to mid-cap buyout deals, with 20 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 that includes Mitsubishi Motors Corporation, Teac Corporation, Tokyu

Construction, Fudo Construction, Seikitokyu Kogyo, Ichida, Tsumura, Hitachi Housotec, Marumo Industry, Mag2, iae Holdings, Tachikichi, Takeda Industry, Generosity, Shibaura Fire Pump Corporation, Kawasaki Holdings, Showa Corporation, Kagayaku Cosmetics, Wood TEC, NITTO, Japan System Care, Heisei biso, BIQREA Holdings, Torque System and and Ideal. NHC has the longest track record of investment in Japan, including more than 100 firms, 50 of which are equity investments.

**About PCR:**

Post-Corona Recovery Co., Ltd. (PCR) is a 100% subsidiary of New Horizon Capital. PCR was established in February 2021 to further develop New Horizon Capital's business revitalization and restructuring expertise and to provide capital support to SMEs recovering from the Corona pandemic through the Post-Corona Recovery Fund.

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## Appendix: Post-Corona Recovery Fund scheme diagram

