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For Immediate Release

New Horizon Capital Co., Ltd.

## **NHC Makes Joint Investment in AC Works**

New Horizon Capital Co., Ltd (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC), a leading independent private equity fund, announced that on December 23, NHC's forth fund (hereinafter (NH-4) has acquired shares of AC Works Co., Ltd. (Head office: Osaka City, Osaka, Japan; Representative Directors: Yoshihito Nakano, and Akihiro Yano; hereinafter "ACW") jointly with Kiyo Growth Support Investment Limited Partnership I, which is managed and operated by Kiyo Capital Management Co., Ltd. (Head Office: Wakayama City, Wakayama Prefecture; Representative Director: Norio Maruoka; hereinafter "KCM").

ACW is a company that operates digital materials platform. In 2011, it launched "Illustration AC", which has since served as a bridge between creators who want to publish their work and users looking for illustrations to suit their tastes. In 2013, the company launched "Photo AC", expanding its platform to provide photos. In contrast to other companies in the industry that only offer paid plans, ACW provides some services even with free plans. Its paid plans, which offer advanced services and functions compared to the free plans, are also relatively inexpensive. For that reason, ACW boasts the largest number of registered members in Japan, and has gained the support of many users.

The platform operated by ACW is a CGM (Consumer Generated Media) that anyone can contribute to, not only professional creators. Creators are compensated according to the number of downloads of their work. The quality and quantity of digital materials posted on the platform grows naturally. Along with the growth of the platform, the number of registered free members has been steadily increasing to date, and reaching 9 million as of November 30, 2022. In addition, some free members continue to switch to paid plans that offer advanced services and functions, increasing paid membership, revenue and profit. NHC is making this investment because the company's performance is expected to continue to grow. The expansion of its services will contribute to the creation of a richer and more creative world.

Akihiro Yano will remain as representative director AWC. NHC and KCM will send new directors and a corporate auditor after the acquisition.

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 six funds since its foundation, and ten 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 Housetec, Marumo Industry, Mag2, iae Holdings, Tachikichi, Takeda Industry, Generosity, Shibaura Fire Pump Corporation, Kawasaki Holdings, Showa Corporation, LocalFolio, Willumina, Wood TEC, NITTO, Japan System Care, Iwata Industry, SAT Corporation, LeadPlus, Heisei biso, BIQREA Holdings, Torque System, Ideal and Kurohime Group. NHC has the longest track record of investment in Japan, including more than 100 firms, 50 of which are equity investments.

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