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For Immediate Release

New Horizon Capital Co., Ltd

NHC Invests in KAIXIA

New Horizon Capital Co., Ltd (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC), a leading independent private equity fund, announced that NHC's fourth fund (hereinafter NH-4) has invested in KAIXIA CO., LTD. (Head office: Mito City, Ibaraki Prefecture; President: Tatsuya Isozaki; hereinafter "KAIXIA") as of today.

Since its establishment in 1999, KAIXIA has demonstrated abilities to demolish a wide variety of facilities, regardless of size or location, with its large fleet of heavy equipment. Using wind sorting and wet sorting and crushing equipment, KAIXIA's state-of-the-art intermediate treatment facilities reduce and sort industrial waste generated by demolition. The facilities reduce cost and recycle the most material possible using a unique system of "washing with water, crushing with water, and recycling" which recycles waste that would normally have to be delivered to final disposal facilities. In the Kanto region, where KAIXIA operates, the company's performance is expected to remain strong. Robust construction demand there has created strong demand for demolition work, waste disposal, and recycling.

In recent years, the world has seen an acceleration of restrictions on the import and export of waste materials between countries, including export controls on waste plastics to China and the effectuation of the amended Annex to the Basel Convention. In Japan, final disposal sites, especially in the Kanto region, are under pressure, and their remaining capacity continues to decrease year by year. In order to realize a resource-recycling society, it will become increasingly important to reduce the amount of waste generated, improve the waste recycling rate, and minimize the amount of final disposal. KAIXIA has a wealth of demolition experience, and is capable of a high recycling rate for waste treatment. NHC has decided to invest in KAIXIA because it believes that supporting its growth will help realize a resource recycling society.

NHC is committed to working with all executives and employees at KAIXIA to improve its organization and strengthening its management and administrative functions so as to enhance the value KAIXIA creates in the marketplace.

Tatsuya Isozaki will remain as representative director of KAIXIA. NHC 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 more than 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 Housotec, 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, Kurohime Group, AC Works, and TAKAFUJI. 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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