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For Immediate Release

New Horizon Capital Co., Ltd.

NHC Transfers All Shares of Wood TEC to Taisei Oncho

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, has finalized an agreement to transfer all shares of a special purpose company, ~~{Horizon 5 Corporation}~~, which owns all shares of Wood TEC Co., Ltd. (Head Office: Inzai-shi, Chiba; President: Hiroyuki Onodera; hereinafter Wood TEC), to Taisei Oncho Co., Ltd. (Head Office: Shinagawa-ku, Tokyo; President: Kenichi Mizutani; hereinafter Taisei Oncho). The transfer of shares will be executed on May 8, 2023.

NHC believes that under the umbrella of the Taisei Oncho Group, Inaba Wood TEC and Taisei Oncho can find opportunities to collaborate in the field of facility constructions, especially in fire extinguishing facility construction. The decision to transfer the company grew out of the belief that Taisei Oncho is the optimal partner to stimulate Wood TEC's sustainable growth. The synergy between the companies will enable them both to provide higher quality services.

Since NH-3 acquired Wood TEC's shares, NHC has implemented value enhancement measures in the areas of Environment, Social and Governance, based on the Principles for Responsible Investment (PRI). Below are the specific results of the value enhancement.

[Environment]

- Previous face-to-face gatherings in meeting rooms have been abolished, and a web meeting system has been introduced to allow employees to participate from remote locations. This has significantly reduced the amount of time spent traveling from the working sites to meeting rooms, thereby improving operational efficiency. In addition, CO₂ emissions from company vehicles have been reduced due to the elimination of unnecessary travel (SDG Goal 13: Climate Action).
- A workflow system was introduced to eliminate the production, circulation, and storage of paper documents required for managerial decisions. The adoption of the electronic approval procedures reduced travels across locations and achieves a paperless work environment. By converting circulated and stored documents to digital data and cloud storage, the frequency of document transfers between offices was reduced. Paperless operations enable timely and accurate

information sharing, thereby reducing environmental impact and contributing to promotion of DX (Digital Transformation) for small and medium-sized enterprises. (SDG Goal 13: Climate Action)

[Social]

- We have established a personnel system in which people are evaluated correctly and fairly for their efforts. (SDG Goal 8: Decent Work and Economic Growth)
- We understand that the performance of the companies we invest in is realized through the hard work of employees. Because of this, we focus on returning profits to our employees. Actual compensation payments in 2022 compared to 2019 (prior to our investment) increased; 14.9% for salary, 22.2% for bonus, and 16.2% for the total combined compensation (salary and bonus). (SDG Goal 8: Decent Work and Economic Growth)
- As a pillar of our value-enhancement measures, we took various measures to strengthen our recruiting ability. Due to this effort, the number of employees increased from 30 (December 31, 2019) to 45 (December 31, 2021). This has led to the significant increase in profit, up 44.6% for the fiscal year ending in October 31, 2022, compared to the average of the three fiscal years from October 31, 2017 to October 31, 2019. In addition, operating profit per capita increased 5.8% in the same period, and we were able to increase productivity per capita despite increasing the number of employees by 15, including new graduates. (SDG Goal 8: Decent Work and Economic Growth)
- After our investment, we have hired three female employees. Currently 11 female employees work at Wood TEC. According to the Labor Force Survey conducted by the Ministry of Health, Labor and Welfare, the industry average for the number and ratio of female workers in the construction industry was 16.7% in FY2020. Wood TEC achieved 26.7% in 2019 and 24.4% in 2022, a high level compared to the industry average. Also, the Basic Survey on Equal Employment conducted by the Ministry of Health, Labor and Welfare shows that only 30.5% of all companies in the construction industry hire new graduates who are female. Wood TEC has actively contributed to gender equality by hiring two female new graduates in April 2021. (SDG Goal 5: Gender Equality)

[Governance]

- Wood TEC's Board of Directors consists of Hiroyuki Onodera, President and Representative Director, two outside directors dispatched by the company, and one outside auditor. While respecting management's intentions as possible, the board also exercises an appropriate function of check-and-balance system. This contributed to the implementation of value-enhancement measures.

- In accordance with the organizational changes implemented in November 2022, we introduced the positions of branch manager and acting branch manager at each location. For each location, one expert and two mid-level employees, who are expected to take on managerial roles in the future, were appointed, and some of the authority previously held by the President was delegated to them. This has decentralized decision-making in the organization from the Board of Directors and the President, and has created a structure that is expected to enable check-and-balance function and organic growth.

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 Sangyo Group Holdings, SAT Corporation, Leadplus, Heisei biso, BIQREA Holdings, Torque System, Ideal, Kurohime Group, AC Works, Takafuji, Soltec and KAIXIA. 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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