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For Immediate Release

New Horizon Capital Co., Ltd

Takafuji Co., Ltd. invests in Settsu Industries Co., Ltd.

New Horizon Capital Co., Ltd. (Head Office: Minato-ku, Tokyo; Chairman: Yasushi Ando; hereinafter NHC) announced that, today, Takafuji Co., Ltd. (Head office: Oita City, Oita Prefecture; CEO: Takahiko Sato; hereinafter "Takafuji"), an investment target of NHC's fourth fund, has invested in Settsu Industries Co., Ltd. (Head office: Minamata City, Kumamoto Prefecture; CEO: Hiromitsu Iwamoto; hereinafter "Settsu Industries").

Since its founding, Takafuji has been involved in installing equipment at various plant facilities, manufacturing steel processed products and prefabricated piping, and various general maintenance work, mainly in its home prefecture of Oita. In recent years, Takafuji has branched out to build and operate biomass power plants, supply biomass fuels (wood chips and palm kernel shells (PKS)), produce biomass fuel from sewage sludge, and operate geothermal farms. It is actively working to realize a decarbonized and circular society.

Since its founding in 1945, Settsu Industries has expanded into designing and manufacturing plant equipment and other products. Settsu Industries has won many welding technology competitions and owns a large steel processing factory capable of manufacturing large-scale custom-made units. It boasts an excellent track record in Kumamoto Prefecture in manufacturing first-class pressure vessels. Settsu Industries uses its unique technology and experience to provides products to companies both in Japan and overseas. It is constantly striving to improve its technical capabilities.

This investment will enable Takafuji and Settsu Industries to combine their respective strengths. It is expected that it will accelerate the construction of large-scale plants that will handle everything from design and manufacturing to assembly, and the future production of biochar through the development of carbonization equipment. NHC expects such initiatives to make a significant contribution to Sustainable Development Goals (SDGs). They are in line with our Principles for Responsible Investment (ESG Policy) and our goal to "reach new horizons with meaningful investments."

NHC intends to work hard to increase the corporate value of both companies by supporting the realization of synergies through this investment.

Regarding the new organizational structure, Hiromitsu Iwamoto continues in his role as Representative Director, and several new directors and auditors will be dispatched from NHC and Takafuji.

About NHC:

New Horizon Capital (NHC) is a top-tier Japanese PE fund targeting small- to mid-cap buyout deals, with over 23 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 10 funds in total as Phoenix Capital and NHC. The NHC team has executed numerous investments both at Phoenix Capital—where they invested in companies such as Mitsubishi Motors, TEAC, Tokyu Construction, Fudo Construction, Seikitokyu Kogyo, Ichida, and Tsumura—and through the New Horizon Funds I to IV. Including only disclosed equity investments, NHC possesses the largest track record of investment in Japan, having invested in more than 100 firms, including 50 equity investments, such as Housetec, Shibaura Fire Pump, Showa Corporation and NITTO (infrat)/ Heisei biso.

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