



April 23, 2014

J-STAR Co., Ltd.

Gregory Hara

President & Representative Director

Announcement of Share Acquisition of Kugami Co., Ltd.

This is to announce that our wholly managed and operated investment fund, J-STAR No. 2 Investment Limited Partnership, has established Kugami Seiki Kogyo Holdings ("KGH"). Furthermore, KGH acquired approximately 70% of the outstanding shares of Kugami Co., Ltd (headquarter: Yokohama, Kanagawa, company representative: Mr. Yasutaro Shimizu, <http://www.kugami.com/index.html>, "KGM") in March 2014.

KGM was founded in 1965 by the current president, Mr. Yasutaro Shimizu, as a plastic injection molder. Since its foundation, the company has engaged in plastic parts manufacturing for automobiles and electronic products. In 1993, the company opened its first trading center in Hong Kong and a facility in China (Zhuhai), making a full-scale entry into the car interior market including escutcheon panel manufacturing. Since then the company has continually scaled up its China operations, establishing branches in Suzhou in 2001, Dalian in 2003, and Tianjin in 2007. In Japan, the company mass-produces plastic parts in Nigata Factory and provides technical support to the Chinese facilities. Furthermore, the company acquired a factory in Yokohama from Kouritsukasei Co., Ltd, who produces plastic parts for mobile phones.

Going forward, while KGM is committed to continue strengthening its production capabilities in China, the company also plans to extend its production capabilities to South East Asia as well as Latin America. The company will reinforce the formation of the management team by adding new talents and consolidated group structure, while actively seeking for M&A & capital alliance opportunities overseas. By investing into KGM through KGH, J-STAR will support the growth strategy and the company structure to achieve the growth.

Mr. Shimizu, the founding owner, will remain as a president and continue to play a significant role in the management team. J-STAR is fully committed to support Mr.

J-STAR

Shimizu's business growth strategy to become a leading player in the automobile parts manufacturing area.

In approaching this investment, we enlisted Fair Consulting Group for financial and tax-related due diligence, KMC Co., Ltd. for production technology valuation, and Baker & McKenzie (Gaikokuho Joint Enterprise) for legal due diligence. We financed a part of the acquisition capital from Tokyo Star Bank, Ltd. and Development Bank of Japan Inc.

We received financial advice from Crosspoint Advisors, Inc upon the acquisition.

###

J-STAR Co., Ltd. (<http://www.j-star.co.jp/en/>)

Founded in 2006 as independent Japanese firm, J-STAR is mainly involved in private equity investments for private companies. Management rights are acquired from the company to undertake management buyout (MBO) investments that improve corporate value. J-STAR has the following three standards for investment: (1) a superior management team and staff, (2) ample potential for increasing added value through the contributions of fund managers and (3) a uniqueness / superiority of market status and business models. Following these standards, we focus on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, J-STAR invested in more than 18 transactions in various industries such as consumer goods, B to B/B to C service, Healthcare, Environment, and Manufacturing.