



December 15, 2017

J-STAR Co., Ltd.
Gregory Hara
President & Representative Director

Announcement of Share Transfer of Taiheiyo Seiki Holding Co., Ltd.

This is to announce that J-STAR No. 1 Investment Limited Partnership, our wholly managed and operated investment fund ("the Fund"), has transferred all shares of Taiheiyo Seiki Holding Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo, Company representative: Mr. Kiyoshi Shinohara, URL: <http://www.taiheiyo-seiki.co.jp>, "Taiheiyo") to TKY K.K. (Headquarters: Chuo-ku, Tokyo, Company representative: Mr. Taizo Takizawa, "TKY").

Taiheiyo manufactures construction and mining machinery components and hydraulic mechanism parts for hydraulic excavator at factories in Japan and China. Taiheiyo sells them to the manufacturers of finished products.

TKY was established in 1927. Since its foundation, the company has been manufacturing high-end Japanese textiles and clothing items. TKY is one of the companies in Takitai Group which is a traditional and prestigious corporation in Niigata. Takitai Group was awarded by Minister of Economy, Trade, and Industry in the past. In addition to the textile, TKY has expanded its business field to real estate.

Through this acquisition, the two companies will combine the knowledge and know-how of the production and sale of construction machinery parts developed by Taiheiyo with the spirit of entrepreneurship and manufacturing cultivated over the years by TKY, providing Taiheiyo with a platform to become an organization that will consistently meet its customers' needs.

For us to enter into the share transfer agreement for this sales transaction, we enlisted the following parties; BDA Partners K.K. and Sumitomo Mitsui Trust Bank, Limited. as financial advisors, and Baker & McKenzie (Gaikokuho Joint Enterprise) as a legal advisor.

J-STAR Co., Ltd. (www.j-star.co.jp)

Founded in 2006 as an independent firm, J-STAR is involved in private equity investments and investment support, targeting at corporate value enhancement via acquiring management rights.

J-STAR

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, it focuses on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, J-STAR invested and/or provided business supports in more than 41 transactions in various industries such as consumer durables, services, healthcare, media and manufacturing.