



May 22, 2023

J-STAR Co., Ltd.

Capital Participation in Safety Step Co., Ltd. (Target Company)

We are pleased to report that the Funds, to which we provide investment-related services (*1) completed the capital participation in Tokuyama Shokai Co., Ltd. (Headquarters: Inazawa-city, Aichi: President: Masayasu Tokuyama, URL: <https://www.toku-shou.co.jp/>), Delight Co., Ltd. (Headquarters: Ichinomiya-city, Aichi: President: Hiroyasu Tokuyama), and Eco-Clean Co., Ltd. (Headquarters: Ichinomiya-city, Aichi: President: Nobuyasu Tokuyama) (collectively, the three companies are referred to as the “Tokuyama Shokai Group”).

Tokuyama Shokai Group is one of the leading demolition companies in Japan, with offices in the Tokai and Kanto regions and a fleet of more than 100 construction machines (heavy equipment), including large machines weighing more than 200 tons. The company's strength lies in "large-scale special demolition," which requires advanced techniques, such as demolishing parts of operating plants and incinerators that require countermeasures against asbestos through a combination of handwork and heavy equipment operation.

In the demolition industry, demand is expected to grow for the reconstruction and retirement of large plants, incinerators, and other facilities built during the period of high economic growth in Japan as they reach the end of their useful lives one after another and deterioration of those buildings is getting worse. On the other hand, there are only a limited number of demolition companies that have sufficient personnel, such as construction managers and engineers, and ample supplies of large heavy equipment, and demand for the group is expected to increase even further.

Taking the opportunity of this capital participation, J-STAR, together with the current management team of each company, aims to achieve further growth by supporting the Tokuyama Shokai Group, mainly by expanding the service areas, improving the work environment, and strengthening the business management system.

*(*1) We provide investment-related services to J-STAR No.5-A, LP, etc. directly or via subsidiaries, such as due diligence and recommendation of investment opportunities, and target company management support.*

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