

May 6, 2011

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

Regarding share acquisition of Taiheiyo Seiki K.K.

This is to announce that our wholly managed and operated J-STAR Number One Investment Limited Partnership has established Pacific Precision Holdings K.K. (“PPH”). In addition, that on April 19, 2011, PPH successfully acquired a majority share holding in Taiheiyo Seiki K.K. (Headquarters: Chiyoda-ku, Tokyo, CEO Kiyoyoshi Ohashi, “THY”).

THY was established in 1954 selling parts for construction machinery. Since then, the pillar of the business has shifted to the manufacture of undercarriage parts for such machinery. Today, they hold several bases of sales and manufacturing in both Japan and China. They are a supplier to the world’s main construction machinery set manufacturers. THY’s products hold a high standing worldwide and are at the top of the global niche market for construction machinery parts. Even in its fiscal year ended March 2009, in the midst of a sluggish world economy, THY reached profitability. For March 2011, it has achieved about JPY 14,000,000,000 in consolidated sales.

To further strengthen its position as an independent parts manufacturer, we will work to increase efficiency and add value to the current bases. In the medium term, our strategy includes exploring expansion into other emerging markets such as India, developing business for other related parts and other possibilities. We will arrange for part-time officers at PPH and THY and support the management and employees as they execute company strategy.

J-STAR partnered with Sumitomo Trust Bank who introduced this investment opportunity. Deloitte Tohmatsu FAS (a member firm of Deloitte Touche Tohmatsu (Japan Group)) provided accounting, tax, and business due diligence services. Baker & McKenzie (Tokyo Aoyama Aoki Koma Law Office) acted as legal advisor on the deal. Maruhito Kondo Law Office provided legal counsel, including legal due diligence work,

on THY's subsidiaries in China.

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 10 transactions in various industries such as consumer goods, B to B/B to C service, Healthcare, Environment, and Manufacturing.

###