



December 4, 2015

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

Announcement of Investment in ESCO Co., Ltd.

This is to announce that our wholly managed and operated investment fund, J-STAR No. 2 Investment Limited Partnership has invested in ESCO Co., Ltd. (headquarters: Shinjuku, Tokyo, company representative: Mr. Yasunori Takagi, "ESCO")

ESCO is a solution provider of energy saving optimization through introducing products and services. The company has nation-wide sales networks and a track record. Their organizational strengths enable them to efficiently provide consulting services which are necessary for energy optimization proposals, conduct field researches, work on constructions, and provide maintenance services,

As Japan faces structural problems of energy source shortage, we expect to see needs for energy saving solutions. In such environment, the electricity industry is in a transition period of deregulation, and the market is expected to change. J-STAR will support ESCO to grow in the changing market, further enhancing its organizational strengths, establishing a stable management platform, and building a sustainable business model.

In approaching the investment, we enlisted OH-EBASHI LPC & PARTNERS (Tokyo Office), Sumitomo Mitsui Trust Bank, Limited, and YAMADA Business Consulting Co., Ltd. We financed a part of the acquisition capital from Resona Bank, Limited.

###

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

J-STAR

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