



January 12, 2021

J-STAR Co., Ltd.

Stock transfer of ESCO CORPORATION

We are pleased to announce that we have transferred all of the stocks of ESCO CORPORATION (head office: Shinjuku-Ku, Tokyo; President: Yutaka Anzai; URL: <https://www.esco-co.jp/>; "ESCO"), owned by the fund under our management (J-STAR No.2 Investment Limited Partnership), to ESCO HOLDINGS CORPORATION, fully owned by the current ESCO management.

ESCO has been providing energy and cost-efficient solutions to various facilities from its neutral business position independent from specific manufacturers since its foundation in 2005. Services for condominiums such as combinations of components adjusted to energy usage status, gained recognition in the market as exhibited by the fact that 29,954 facilities have adopted the solutions to date (as of December 2020).

We have supported ESCO for stabilizing its management foundation and building a sustainable business model during our investment when the markets are anticipated to go through evolutions as Japan faces energy shortage as a structural issue.

We believe that further growth for ESCO would require the utilization of the stored expertise with its independent business position and decided to conduct the management buyout (MBO) such that the management and staff can take initiatives in managing the business.

END