



July 31, 2024

J-STAR Co., Ltd.

Capital Participation in KSS Co., Ltd. by Honest Co., Ltd.

We are pleased to inform you that Honest Co., Ltd. (Headquarters: Yoshikawa city, Saitama, President: Keiji Okawa, URL: <https://www.rap-honest.co.jp/>, the “Honest”) which we provide investment-related services (\*1) has acquired shares of KSS Co., Ltd. (Headquarters: Konan city, Aichi, President: Bunkichi Suzuki, URL: <https://atk.co.jp/>, the “KSS”).

KSS, originating from a predecessor company established in 1952, upholds "Mottainai" (a sense of not wasting) as its management philosophy, promoting the 3Rs of environmental sustainability (Reduce, Reuse, Recycle), and has been striving to manufacture rebuilt engines (\*2) with the industry's highest quality. From engines for light vehicles to those for 4-ton trucks, and even non-automotive engines such as gas heat pumps, KSS's technology for rebuilt parts has been recognized not only domestically but also by North American companies, leading to their export business over the last more than 30 years. With the growing awareness of environmental issues in recent years, this business has continued to expand.

In 2022, Honest acquired MAKIJIDOSHA KOGYO Co., Ltd., a manufacturer of rebuilt parts for medium and heavy vehicles, and Honest have been evolving into a comprehensive rebuilt parts manufacturer that produces rebuilt automotive parts for a wide range of vehicles, from light to medium and heavy vehicles. By newly incorporating KSS, which possesses advanced technology for complex rebuilt engines and has a long-standing export track record, Honest aims to further develop and stably supply high-quality and low-cost rebuilt parts. Additionally, by strengthening its response to both domestic and overseas demand, Honest aims for sustainable growth.

Our company will continue to support Honest becoming a socially responsible company, enhancing the trust and status of the rebuilt parts industry through the dissemination of JSA standards for automotive rebuilt parts and contributing to the realization of carbon neutrality and a circular economy by promoting the use of rebuilt parts with low environmental impact.

*(\*1) We provide investment-related services to J-STAR No.3 SS, LP, etc. directly or via subsidiaries, such as due diligence and recommendation of investment opportunities, and target company management support.*

*(\*2) A rebuilt engine refers to a remanufactured engine, where all components of a used engine are cleaned, inspected, repaired, and polished, and any parts that cannot be repaired are replaced with new ones. The engine is then reassembled and inspected to create a product. It achieves high quality based on genuine parts while being offered at a low price. Additionally, it reduces waste and CO2 emissions, contributing to the realization of carbon neutrality and a circular economy.*

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