

October 7, 2013

iSigma Partners Corporation

Announcement of the Establishment of iSigma Business Advancement Fund II  
Investment LLP and Investment in Iino Holdings Co., Ltd.

At the end of July 2013, iSigma Partners Corporation established iSigma Business Advancement Fund II Investment LLP (“BAF II” hereafter), which invests in small and mid-sized companies in Japan. On September 24, 2013, BAF II acquired the shares of Iino Holdings (“Iino Holdings” hereafter), the holding company of Iino Manufacturing Co., Ltd. (Saitama, Saitama Prefecture; “Iino Manufacturing” hereafter).

Mid-tier and small and mid-sized companies, which account for a majority of corporations in Japan, play an important role in the Japanese economy by supplying excellent products and services, developing and passing on new technologies, and contributing to the community economy through job creation. On the other hand, the management environment surrounding small and mid-sized companies includes an increasing intensity in the maturation of the Japanese domestic market and intensification of competition with overseas companies, a steep rise in raw material costs due to the weakening yen, and a shortage in successive business owners. Even mid-tier companies that are already listed are seeking shareholders who will support the reconstruction of a sustainable growth strategy, actions for internal control, and other stacking issues with a long-term time horizon.

BAF II will take advantage of the functionality and networks of the general trading company Marubeni Corporation (“Marubeni” hereafter) in a wide variety of industries, and will utilize private banking network of Sumitomo Mitsui Trust Bank, Limited (“Sumitomo Mitsui Trust Bank” hereafter) in the development of succession planning (e.g., business knowledge transfer processes) to invest (generally a majority investment) in small and mid-sized companies (including listed companies) of diverse industries in Japan. After the investment, BAF II will support the companies in sales and marketing (including overseas), overseas deployment, material procurement, recruiting, establishment and reconstruction of management strategies, construction and maintenance of business management systems, planning of capital policies, merger and acquisition, and corporate collaboration. Thus, we will go beyond a mere supplier of capital and will act as a business partner with the investee companies toward the improvement of corporate value. Through the improvement in the corporate value of the investee companies, we would like to enable small and mid-sized companies to inherit and develop the technological

assets to supply great products and services, and also create employment contributing to the healthy development of the local community.

Iino Holdings (Iino Manufacturing), the first investment for BAF II, manufactures high-precision and high-quality auto-parts that comprise, connect and/or support the engine and/or transmission of an automobile. Iino Manufacturing has been quick to expand overseas in the Philippines, North America, China, and Indonesia, while maintaining the capability and ability to supply high-precision and high-quality products. We have been impressed by Iino Holdings' management attitude for ceaseless improvement, leading to capital participation.

We would like to contribute to the successful future development of Iino Manufacturing Group Co., Ltd. through further supporting and accelerating its global development activities.

Iino Manufacturing Co., Ltd.

Established: March 1948

Representative: Koji Iino

Location: 1-135 Juno-cho, Omiya-ku, Saitama, Saitama Prefecture

Business: Manufacture of automobile and motorcycle parts