



August 14, 2023

Japan Industrial Solutions Co., Ltd.

JIS TO PROVIDE EQUITY SUBORDINATED LOAN FINANCING WITH STOCK
ACQUISITION RIGHTS TO NIPPON SEIRO Co., LTD.

Japan Industrial Solutions Co., Ltd. ("JIS") announced today that JIS has entered into an agreement with Nippon Seiro Co., Ltd. (referred to as "Nippon Seiro," TSE Standard Section: 5010) to extend an equity subordinated loan of 3 billion yen to Nippon Seiro, combined with stock acquisition rights issued by Nippon Seiro, through Japan Industrial Solutions III Investment Limited Partnership.

Nippon Seiro stands as the sole Japanese wax manufacturer specializing in petroleum waxes. It produces a diverse array of high-quality wax products utilizing its proprietary technology and distributed worldwide. In February 2021, Nippon Seiro released its "Medium-Term Plan 21-24," with an intention to pursue "highly functional high-quality products" as well as "growth market opportunity" while reducing cost and inventories. However, due to rising raw material prices stemming from Russia's incursion into Ukraine, the business environment did not improve. Under such circumstances, Nippon Seiro subsequently released its "Medium-Term Management Plan 23-27" (hereafter referred to as the "Medium-Term Management Plan") in February 2023 in order to expedite fundamental structural reforms, as well as transforming business models while also procuring capital from an external sponsor to fund the establishment of a competitive production system and enhance its financial position.

JIS and Nihon Seiro have been engaged in discussions regarding the Medium-Term Management Plan and established a consensus to promote fundamental structural reforms as well as transformation of business models to improve productivity and profitability, with introduction of various improvement measures, including the strengthening of governance and management functions.

The execution of this agreement remains contingent upon the approval pertinent proposals during Nihon Seiro's Extraordinary General Shareholders Meeting.

JIS is committed to providing specific solutions aimed at enhancing Nippon Seiro's corporate value and competitiveness in order to support the realization of Nippon Seiro's strategy to



maintain sustainable growth and become an indispensable wax manufacturer integral to the entire of Japanese industry.