

August 1, 2018

Acquisition of Hotel Castle Inn Group by NSSK

Nippon Sangyo Suishin Kiko ("NSSK"; <http://www.nsskjapan.com/en>) is pleased to announce the acquisition of Hotel Castle Inn Group ("Castle Inn Group"; <http://www.castleinn.co.jp>) through the Chubu/Hokuriku Region Vitalization Investment L.P. ("Chubu/Hokuriku Investment L.P.").

Castle Inn Group owns and operates six hotels located in the Mie Prefecture of the Chubu Region, where there is a strong demand for hotels that accommodate business and leisure travelers. Castle Inn Group offers 826 guest rooms targeting primarily business travelers. The hotels are differentiated in the market through its affordable pricing and attractive amenities, such as *onsen*-style bathing facilities, ample and accessible parking spaces and comfortable rooms. Castle Inn Group has a stable and loyal customer base that has resulted in steady revenues and strong profit margins.

NSSK will deploy NSSK's Value Up Program ("NVP") in managing Castle Inn Group and implement global best practices with the initial focus on accounting, finance, governance, compliance, corporate identity and ESG. NSSK will also work closely with its hotel management operating partners. The implementation of these measures is expected to increase RevPAR (Revenue Per Available Room).

Through the Chubu/Hokuriku Investment L.P., NSSK invests in attractive small and medium sized companies with high growth potential based in the Chubu/Hokuriku Region consisting of the Aichi, Gifu, Mie, Shizuoka, Nagano, Toyama, Ishikawa and Fukui Prefectures. NSSK will provide expansion capital, critical business processes for operational improvement, management talent from its network of domestic and international operating executives, support for international business expansion including attracting foreign travelers to Japan. NSSK's mandate is to enhance the value of the companies in which it invests and through this value creation, to vitalize the regional economy with increase in productivity and employment.

For inquiries, contact:

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Sponsor Name:	Nippon Sangyo Suishin Kiko (http://www.nssk-japan.com/en)
Founded:	December 2014
Headquarters:	Atago Green Hills MORI Tower 17F 2-5-1, Atago, Minato-ku, Tokyo, Japan
Representative:	Jun Tsusaka
Overview:	NSSK is an independent Japanese alternative investment management company. NSSK pursues superior returns by applying global investment disciplines, operating expertise and human capital principally to attractive SMEs in Japan.

Investor Name:	Chubu/Hokuriku Region Vitalization Investment L.P. ("Chubu/Hokuriku Investment L.P.")
Founded:	October 2016
Headquarters:	Atago Green Hills MORI Tower 17F 2-5-1, Atago, Minato-ku, Tokyo, Japan
Sponsor:	Nippon Sangyo Suishin Kiko
Overview:	Chubu/Hokuriku Investment L.P. invests in attractive small and medium sized companies with high growth potential based in the Chubu/Hokuriku Region consisting of the Aichi, Gifu, Mie, Shizuoka, Nagano, Toyama, Ishikawa and Fukui Prefectures).

Acquired Business:	Hotel Castle Inn Group (http://www.castleinn.co.jp)
Hotel Name and Opening Year:	Castle Inn Yokkaichi (1986) Castle Inn Suzuka (1993) Castle Inn Ise (1998) Castle Inn Tamagaki (2003) Castle Inn Tsu (2005) Resort Inn Futami (2001)
Overview:	Hotel Castle Inn Group own and operates six hotels located in the Mie Prefecture of the Chubu Region. The Castle Inn Group offers 826 guest rooms targeting primarily business travelers. The hotels are differentiated in the market through its affordable pricing and attractive amenities, such as <i>onsen</i> -style bathing facilities, ample and accessible parking spaces and comfortable rooms.