

Sale of Welfare Suzuran Co., Ltd. by NSSK II

Nippon Sangyo Suishin Kiko (“NSSK”, <https://www.nsskjapan.com/>) is pleased to announce that investment partnerships managed or provided with services by NSSK affiliates (collectively, “NSSK II”) completed the sale of all shares in Welfare Suzuran Co., Ltd. (“Welfare Suzuran” or the “Company”, <https://suzuran-group.jp/>) and the holding companies of Welfare Suzuran, NSSK-L Co., Ltd. and NSSK-LL Co., Ltd., to Ricoh Leasing Company, Ltd. (“Rico Leasing”, <https://www.r-lease.co.jp/>).

Welfare Suzuran was established in 2011 in Nagoya, Japan as a nursing care service provider. Under its corporate motto of “Achieving material and spiritual well-being of all employees and promoting the health of all resident clients”, Welfare Suzuran is pursuing an “area-dominant strategy”, operating 8 residential-type nursing homes, 3 group homes for persons with disabilities, and a group home for residents with dementia. It has succeeded in achieving high margins and high occupancy rates by leveraging its strengths in providing quality services at affordable prices to its users. In its main residential-type nursing homes, Welfare Suzuran has established home visit stations that provide long-term care service and nursing service, and is constructing a comprehensive care system in cooperation with local clinics and hospitals, assuring secure home care for all residents. Additionally, some facilities provide nursing care for those who are highly dependent on medical care with nurses available 24 hours a day.

Welfare Suzuran has also built up a platform that provides appropriate long-term nursing care services not only for care recipients, but also for those with mental or physical disabilities, dementia, intractable diseases and other conditions. As a result, Welfare Suzuran has received high recognition from its customers and their families and has built a notable reputation and strong brand in its operating areas.

Since NSSK II's investment in December 2019, NSSK has supported Welfare Suzuran in its efforts to strengthen its management foundation by implementing global best practices in a wide range of areas including accounting, finance, compliance and governance, ESG, sales strategies and growth strategies, including the development of new facilities through the NSSK Value Up Program (“NVP”). In particular, NSSK was able to improve the Company's profitability through better budget control, accelerated monthly settlements and improvement of the accounting process, while also endeavoring to enhance the overall management of the Company. Furthermore, NSSK established a structure that enables Welfare Suzuran to expand its business by opening new facilities, encouraging the sharing of best practices across facilities, and regularly reviewing its services.

Rico Leasing engages in the leasing and finance business, which provides financial services such as leasing, rental, installment sales, and loans related to capital investment. Since 2000, Rico Leasing has focused on growth in the medical sector, expanding its business

relationships with a wide range of medical equipment manufacturers and sellers, hospitals, clinics, etc. As a result, Ricoh Leasing has improved its presence in the medical space by supporting capital investments in the area as well as establishing and managing medical institutions. In addition, in 2011, Ricoh Leasing started a fee factoring service for nursing compensation for care providers and annual transaction volume in this area is now in excess of JPY 70 billion. This is the first venture for the company to operate an in-house nursing care business, and in the medium to long term, in addition to the understanding of medical and nursing care related businesses that the company has accumulated to date, through the operation of Welfare Suzuran's nursing care business, it will develop sustainable services that place less burden on both users and nursing care providers.

Going forward, NSSK believes that Welfare Suzuran can achieve further growth and improve corporate value by realizing synergies with Ricoh Leasing's medical and nursing care business, and utilizing Ricoh's robust financial standing and the creditworthiness of its financing services.

NSSK's mission is to build a leading alternative asset investment business in Japan by investing in attractive Japanese companies in partnership with management and contributing to the Environment, Society and Governance of Japan and beyond. NSSK's investment strategy is to seek to generate superior outcomes by applying global investment discipline, operating expertise and human capital to Japanese companies originating from our proprietary and differentiated sourcing network.

For more information, please contact:

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Investor Name:	Nippon Sangyo Suishin Kiko (https://www.nssk-japan.com/)
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 with a focus on Japan. NSSK pursues superior outcomes by applying global investment discipline, operating expertise and human capital to attractive Japanese companies and contribute to the Environment, Society and Governance of Japan and beyond.

Company name:	Welfare Suzuran Co., Ltd. (www.suzuran-group.jp)
Founded:	May 2011
Headquarters:	3-1202 Koshin, Moriyama-ku, Nagoya City, Aichi Prefecture
Overview:	Welfare Suzuran is a nursing care service provider with 8 residential-type nursing homes, 3 group homes for persons with disabilities, and a group home for residents with dementia. All residential-type nursing homes have established a home visit nursing station on their premises that provide long-term care and nursing services, and a comprehensive care system in cooperation with local clinics and hospitals, assuring secure home care for all residents.