IGUAKO CAPITAL · Case study

Nashiro Fine Materials

A US$96 million private placement of non-voting preferred equity for a chromatography media maker, syndicated to seven investors without a sale of control.

YEAR	SECTOR	DIVISION
2022	Specialty Materials	Investment Banking

JURISDICTION

Japan

Situation

Nashiro Fine Materials makes chromatography media used to purify biological products. It supplies eleven manufacturers from one plant in Japan. Demand from those customers had grown faster than its capacity for three years, and the company had been rationing orders since 2020 on a first-come basis.

The founding family owned every share and would neither sell control nor list the company. A second plant needed US$90 million. The family's banks would lend against the land and not against the order book. The Tokyo office was introduced to the file in January 2022 by a customer the firm already covered.

Approach

Investment Banking structured a private placement of non-voting preferred equity rather than a sale. The family kept every ordinary share and every board seat. The instrument carried a fixed coupon, a redemption right after seven years and a covenant restricting the use of proceeds to the second plant and its qualification.

The syndicate was assembled by hand. Seven parties were approached and all seven took an allocation: four institutions, two family holding companies and the firm itself for US$14 million from the proprietary balance sheet. No party took more than a quarter of the issue and no party received information the others did not.

The placement closed at US$96 million in October 2022, nine months after appointment. Documentation ran to a single subscription agreement in two languages. The intercreditor position with the family's existing bank was settled before the syndicate was approached rather than after, which is why no investor asked for a second closing.

Outcome

The second plant opened in 2025 and doubled capacity. Rationing ended in the same quarter. The coupon has been paid on every date since issue. The firm's own holding is carried at cost plus accrued coupon, which is how the Valuation of Investments policy treats an instrument of this kind.

The mandate produced a fee of US$2.1 million and a position on the balance sheet. It also gave the firm a view of eleven downstream manufacturers that the Information and Data division now covers as a matter of routine. Specialty materials became a named origination sector in the plan for the following year.

Figures

Measure	Value
Capital placed	US$96 million
Investors in the syndicate	7
Appointment to closing	9 months

Colophon

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