

Cool Japan Fund Inc.
Tokyo, September 25, 2014

Investing in a large-scale Japanese entertainment
commercial facility in Ningbo City, China.

Cool Japan Fund today announced the decision to invest a maximum of 11 billion JPY towards a large-scale commercial facility in Ningbo City (in China's Zhejiang Province) as a part of a consortium with H2O Retailing Corporation (H2O) and Shanshan Group Co., Ltd. (Shanshan Group).

Cool Japan Fund aims to create a foothold for expansion into China for small to medium-sized companies around Japan that provide excellent products and services. At the same time, our goal is to build a model for the development of commercial facilities that will help formulate a "Japan brand" through introducing and selling Japanese entertainment and excellent regional products and services on a large scale under the "Cool Japan" banner.

Ningbo (Zhejiang Province, China) is one of China's most economically powerful cities and its wealthy and upper-middle classes are noticeably expanding. It is a city with high economic development potential.

Cool Japan Fund has decided to invest a maximum of 11 billion JPY towards a large-scale commercial facility in Ningbo as a part of a consortium with H2O and Shanshan Group.

The project plans to open a large-scale commercial facility (at a total cost of 3 billion RMB or approx.51 billion JPY, and total commercial floor space of approx.160,000m²) by the fall of 2018 in the heart of the Eastern New City development project, a massive urban development project currently underway in Ningbo City.

The overall facility will be built around the concept of "Japanese Entertainment." The facility will not only offer purchasable items, but will provide visitors with an experience. The goal is to involve more than 100 small to medium-sized Japanese companies that will provide an introduction to their amazing products and services as a necessary part of a new way of living.

In addition, by installing event spaces and sales floors and using H2O's event expertise, the plan is to hold a broad spectrum of daily events, from regional Japanese product sales promotions to live entertainment. This commercial facility will serve to give local consumers a hands-on experience in the Japanese charm, and will become a catalyst for increasing their interest in Japanese culture.

Cool Japan Fund aims to create a foothold for expansion into China by small to mid-size companies that provide excellent products and services – including locally produced goods and traditional crafts – and build a model case for the development of commercial facilities around Asia that can serve as hubs for the Cool Japan concept. We also aim to deepen local consumer understanding and enjoyment of Japanese culture, and expect this will lead to an increase tourists to Japan.

Cool Japan Fund will actively support small to medium-sized companies that take part in this project. Those companies exemplifying Cool Japan ideal and looking to expand overseas will be provided with information on funding and other support provided by related institutions such as Japan Finance Corporation and Shoko Chukin Bank.

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[About H2O Retailing Corporation]

Established: March, 1947

Business description: Department stores, supermarkets, home delivery business, shopping center management, etc. with Hankyu Hanshin Department Stores at the core

Location of Head Office: 8-7 Kakuda-cho, Kita Ward, Osaka

President and Representative Director: Atsushi Suzuki

Website: <https://www.h2o-retailing.co.jp/e/>

[About Shanshan Group Co., Ltd.]

Established: June, 1994

Business description: Fashion apparel, materials for lithium batteries, urban development, trade, distribution, etc.

Location of Head Office: Ningbo City, Zhejiang Province, People's Republic of China

Representative: Xueming Zheng

[About Cool Japan Fund]

Cool Japan Fund was founded in November 2013 as a public-private fund under law with the aim of supporting and promoting the development of overseas demand for excellent Japanese products and services. We aim to commercialize the Cool Japan concept and increase overseas demand by providing risk capital for businesses across a variety of areas, including media & content, food & services, and fashion and lifestyle.

(Website: <http://www.cj-fund.co.jp/en/>)

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