

Cool Japan Fund Inc.

Tokyo, March 23, 2016

LP Investment in a Fund for Activating the Tourism Industry in the Setouchi Region

Cool Japan Fund has decided to form the *Setouchi Kanko Kasseika Fund* (fund for revitalizing tourism in Setouchi) on April 1, 2016 jointly with the seven regional banks of the Setouchi region (Chugoku Bank, Hiroshima Bank, Yamaguchi Bank, Awa Bank, Hyakujushi Bank, Iyo Bank, and Minato Bank, hereafter, “the Seven Setouchi Banks”), Development Bank of Japan Inc. (hereafter, “DBJ”), and J-Will Advance Co., Ltd. (hereafter, “J-Will Advance”), which is affiliated with the J-Will Group. With a total amount of 9 billion yen, the fund is aimed at providing growth capital to tourism-related businesses in the region. Cool Japan Fund has also decided to make a strategic LP investment of up to 1 billion yen in the fund.

Through its funding, Cool Japan Fund expects the Setouchi region to become a leading destination for tourists from around the world by offering enhanced tourist services for foreign visitors. Cool Japan Fund also expects the fund to revitalize the local economy of the Setouchi region by promoting the development of the local tourism industry and increasing the number of tourists and visitors from abroad.

In each area, comprehensive and integrated efforts are required to accelerate tourism since capturing the recent tremendous demand from inbound tourists is indispensable for the regional empowerment, which is one of the government’s growth strategies.

In response, financial institutions and business companies in the Setouchi region are planning to work together to establish a stock company named Setouchi Brand Corporation, which is aimed at revitalizing the local tourism industry, on April 1, 2016. In relation to this, Cool Japan Fund has decided to form the *Setouchi Kanko Kasseika Fund* with total amount of 9 billion yen, to provide growth capital to tourism-related businesses that make use of the abundant tourism resources in the region, on the same day jointly with the Seven Setouchi Banks, DBJ, and J-Will Advance. It has also decided to make a strategic LP investment of up to 1 billion yen in the fund.

This project is linked with initiatives for promoting the Setouchi brand that have been advanced by the seven prefectures in the Setouchi region (Hyogo, Okayama, Hiroshima, Yamaguchi, Tokushima,

Kagawa, and Ehime) since April 2013. This government-industry collaborations has led to the formation of the Japanese version of DMO^{*1}, which the government positions as the organization that plays the key role in creating attractive tourist spots in the “Comprehensive Strategy for Revitalizing Local Economies”

Through its funding, Cool Japan Fund expects Setouchi region to become a leading destination for tourists from around the world, revitalizing the local economy. It also expects that this initiative of establishing a regional DMO, which is among the largest initiatives of this kind in Japan and is unprecedented worldwide, will be a model case of the promotion of regional branding and the creation of tourism destinations.

*1: DMO stands for Destination Management Organization. It is a type of organization seen mainly in the United States and Europe, which carries out the formulation of strategies, surveys of various kinds, marketing, product development, promotion, and other activities in an integrated manner.

Setouchi Kanko Kasseika Fund

Trade name:	Setouchi Kanko Kasseika Limited Partnership for Investment
Date of formation:	April 1, 2016 (planned)
Location:	Hiroshima-shi, Hiroshima
Total amount of fund:	9,000,000,000 yen (as of the date of formation; planned to be increased in the future)
General partner (GP):	Setouchi Kanko Partners Co., Ltd.
Limited partners (LP):	The Chugoku Bank, Ltd. The Hiroshima Bank, Ltd. The Yamaguchi Bank, Ltd. The Awa Bank, Ltd. The Iyo Bank, Ltd. The Minato Bank, Ltd. The Hyakujushi Bank, Ltd. Development Bank of Japan Inc. Cool Japan Fund Inc.

Setouchi Tourism Partners Co., Ltd. (General partner of the fund)

Trade name: Setouchi Tourism Partners Co., Ltd.

President: Atsunori Shirahata

Head office: 10-3 Motomachi, Naka-ku, Hiroshima-shi, Hiroshima

Established: March 17, 2016 (scheduled to start operating on April 1, 2016)

Activities: Operation and management of the *Setouchi Kanko Kasseika Fund*

Shareholders: Seven Setouchi Banks
Development Bank of Japan Inc.
J-Will Advance Co., Ltd.

*The J-Will Group is a provider of diverse financial solutions that consists of a total of six companies including J-Will Advance Co., Ltd. and J-Will Partners Co., Ltd, a fund operating company aimed at contributing to the revitalization and development of regional economies by circulating funds from domestic investors in Japan to Japanese business companies.
