

Cool Japan Fund Inc.
Tokyo, April 28, 2017

Investing in the Business of Developing Live Music Venues in Asia —Supporting Overseas Market Expansion of the Japanese Music Industry—

We are pleased to make an announcement that Cool Japan Fund (CJF) has decided to make an investment of up to five billion yen to Zepp Hall Network Inc. (Zepp), which operates the Zepp brand live music venues, through the underwriting of newly issued shares. The investment will be used towards the establishment and operation of live music venues with high-quality equipment in Asia.

Our aim is to support the Japanese music industry as they develop the overseas market by assisting Zepp in creating a network of live music venues throughout Asia consisting of Zepp halls in the major Asian cities featuring equipment having specifications standardized with and mirroring the Zepp venues in Japan. We hope that the new venues will serve as bases for Japanese artists to keep connecting with local music fans by allowing them to extend their concert tours outside of Japan.

For the Japanese music industry the market for live performances has been growing in recent years. In order to capture its growth potential, relevant parties in the industry have a strong interest in performing in Asia. However, they face a difficulty that there are not enough numbers of live music venues that have high-quality equipment for them to best deliver their values.

Zepp has continued to support growth of the Japanese live performance market through establishment of live music venues with a capacity of approximately two thousand people standing and equipped with stage machinery, lighting, and sound systems having specifications standardized for all Zepp venues across Japan which has made it possible for artists to lower touring costs. In response to the increasing interest in performing overseas by Japanese artists, Zepp is currently working towards expanding its network of live music venues to various countries in Asia.

To engage in the development of the needs for Japanese live entertainment in other Asian markets, CJF has decided to make an investment to Zepp with Sony Music Entertainment (Japan) Inc., a parent company of Zepp, for the establishment and operation of live music venues in Asia, outside of Japan. Our investment amount will be up to five billion yen.

The investment will be used to develop Zepp halls in various Asian cities including Singapore and Kuala Lumpur, and these venues will have the same standardized equipment as existing venues in Japan. Our goal is to build an Asian live music venue network by establishing Zepp halls in over ten major cities within and outside of Japan around 2020. We believe that the investment will provide opportunities for artists to keep connecting with Asian music fans and also support the matching of Japanese artists with local promoters and media.

Through this venture, CJF will support the Japanese music industry to develop the overseas market. Also, by collaborating with our other invested projects and Japanese companies that have already expanded their businesses to Asia, we expect Zepp halls to become function to promote “Cool Japan” - lifestyles and cultures of Japan. By doing so, we hope that this project will encourage foreign tourists to visit Japan more.

[About Zepp Hall Network Inc.]

Location: Roppongi 3-16-33, Minato Ward, Tokyo
Established: June 1997
Capital: 480 million yen
President: Satoshi Senoo
Business Description: Operation of Zepp live music venues in Japan and abroad
Current Locations: Tokyo (2 venues), Osaka (2 venues), Nagoya, Sapporo
Website: <http://www.zepp.co.jp/>

[About Sony Music Entertainment (Japan) Inc.]

Location: Rokubancho 4-5, Chiyoda Ward, Tokyo (Head Office)
Founded: March 1968
Established: April 1, 2003 (Corporate spin-off)
Capital: 100 million yen
President/CEO: Michinori Mizuno
Business Description: Functions as headquarters to Sony Music Group companies, covering various aspects of the entertainment business
Website: <https://www.sme.co.jp/>
