

Cool Japan Fund Inc.
Tokyo, December 20, 2017

**Investing in a Project to Expedite Business Growth of
Small- to Medium-sized Foodservice Companies in ASEAN
– Offering One-Stop Solutions and Services for Overseas Expansion –**

Cool Japan Fund is pleased to announce an investment of up to 500 million yen in a project with G-FACTORY CO., LTD. (G-FACTORY), a company that supports store-based service companies, such as restaurants, in opening and closing stores. The project is designed to support small- to medium-sized (SMB) foodservice companies aiming to start and expand ASEAN business operations.

While there is an increasing tendency for SMB foodservice companies to engage in businesses overseas, issues such as the lack of local knowledge, human resources, and the size of initial investments required have created a bottleneck. For companies with such issues, this project will offer one-stop solutions, including market research, real-estate acquisition, company incorporation, contract negotiation, permit application, human resource hiring, and lease provision.

Through this project with G-FACTORY, Cool Japan Fund will expedite business expansions of SMB foodservice companies entering major cities in ASEAN and support the launch of 100 new stores in 5 years.

In the current Japanese foodservice industry, more and more companies are seeing beyond the highly competitive Japanese market and are planning to enter international markets where interests toward Japanese foods are growing (1). However, companies - especially SMB companies - have faced difficulties in finding suitable store locations, understanding local business practices, assigning personnel capable to handle international tasks, and preparing the required amount of initial investments. The bottleneck created by such difficulties has caused Japanese companies to hesitate before starting international businesses.

Established in 2003, G-FACTORY has run “Nadai Unatoto”, a restaurant chain that specializes in eel. Based on the experiences and know-how it has developed, G-FACTORY launched “Management Support Service” in 2007 to handle the procedures required for opening new stores or closing existing stores on behalf of chain operators. This service has grown rapidly since its launch.

The main clientele of G-FACTORY is SMB companies with between 3 to 30 stores and total sales between 100 million to 3 billion yen that have plans for growth but tend to lack human or financial resources. G-FACTORY has supported over 1,000 restaurants, beauty parlors, nail salons, and other store-based service companies.

(1) As of October 2017, there are approximately 118,000 Japanese restaurants outside of Japan, which is 30% more than the previous study in July 2015 (Source: Ministry of Agriculture, Forestry and Fisheries, November 2017).

In 2015, G-FACTORY started supporting the overseas expansion of companies, assisting in the opening of approximately 20 stores in Singapore and Thailand (Bangkok). It offers one-stop solutions, including market research, real estate acquisition, company incorporation, contract negotiation, permit application, human resource hiring, and lease provision. The number of requests for support from SMB companies have been steadily increasing.

Cool Japan Fund is pleased to announce an investment of up to 500 million yen in GF CAPITAL PTE. LTD. (GF CAPITAL), a subsidiary of G-FACTORY in Singapore, to expedite the business expansions and growth of SMB foodservice companies entering the ASEAN market. The investment will be mainly used to strengthen local business organizations and acquire real estate, with GF CAPITAL serving as the headquarters for ASEAN businesses.

Cool Japan Fund considers the growing interests of SMB foodservice companies in expanding overseas as an excellent opportunity to promote Japanese food to other countries on a greater scale. Through this project with G-FACTORY, Cool Japan Fund aims to expedite the overseas expansion of SMB companies further.

[About G-FACTORY CO., LTD.]

Established: May 2003

Business Description: Management support to store-based chain operators

Location: Shinjuku Ward, Tokyo

President/CEO: Masayuki Katahira

Website: <http://g-fac.jp/>
