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J-STAR Co., Ltd.

Gregory Hara

President & Representative Director

### Announcement of Acquisition of Alpha Corporation Business

This is to announce that Alpha Corporation Co., Ltd ("Alpha Corp", a newly established SPC), a portfolio company of J-STAR No.3 SS, LP, etc, funds that J-STAR provides investment related services to, has acquired tutoring businesses (the "Acquired Business") of Alpha Corporation Co., Ltd (Headquarters: Sapporo, Hokkaido, Company representative: Mr. Naoto Kimura, URL: <http://alpha1999.jp/>, the "Target Company").

The Target Company was established in 2005 as a tutoring service company. The Acquired Business operates 16 private tutoring schools in Sapporo, and also operates tutor staff services nationwide to send teachers to home.

While the education industry's market is shrinking due to declining birthrate, the Acquired Business effectively caught the needs of private tutoring, providing one-to-one 100% private tutoring services by professional tutors.

It has been said that children study at home less due to (1) lack of social connections (2) diversifying life-styles (3) more women in the workforce and (4) less family living with grandparents/extended families. We will support Alpha Corp's to establish its business model in order to solve social issues by providing home study support services.

In approaching the acquisition, the following parties were enlisted: TBM Soken as a financial advisor, Mori Hamada & Matsumoto as a legal advisor, Funai Consulting Incorporated as the business due diligence professional, and Yamada&Partners Certified Public Tax Accountants'Co. as finance and tax due diligence professional. Some part of the acquisition capital was financed by Aozora Bank, Ltd.

\*J-STAR Co., Ltd. provides investment related services to, from directly or indirectly through a wholly-owned subsidiary, J-STAR No.3 SS, LP, etc, providing researches about investment opportunities, as well as other investment related services such as training to portfolio companies.

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J-STAR Co., Ltd. ([www.j-star.co.jp](http://www.j-star.co.jp))

Founded in 2006 as an independent firm, J-STAR is involved in private equity investments and investment support, targeting at corporate value enhancement via acquiring management rights. J-STAR has the following three standards for investment: (1) a superior management team and staff, (2) ample potential for increasing added value through the contributions of fund managers and (3) a uniqueness / superiority of market status and business models. Following these standards, it focuses on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, J-STAR invested and/or provided business supports in more than 34 transactions in various industries such as consumer durables, services, healthcare, media and manufacturing.