



September 1, 2017

J-STAR Co., Ltd.
Gregory Hara
President & Representative Director

Announcement of Acquisition of Shares in Sun Smile Inc.

This is to announce that Sun Smile Holding Co., Ltd ("Sun Smile Holding", 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 Sun Smile Inc. (Headquarters: Minato-ku, Tokyo, Company Representative: Mr. Tokuya Tanaka, URL: <http://www.sunsmile.co.jp/>, the "Sun Smile").

Since its establishment in 1997, the Sun Smile has been in the business of designing and manufacturing its own private brand products including the flagship "Pure Smile" in addition to the wholesale of imported brand bags, accessories, cosmetics, and sundries. Having a good understanding and high sensitivity into new and marketable products targeting young women, the Sun Smile has been designing best-selling products by utilizing their accumulated marketing knowledge and providing products in high demand.

Because of its increasing competition, the cosmetics and the sundry market for young women are becoming more challenging to obtain new customers and keep them as loyal repeaters. Therefore, we recognize the need of further improving company's product development capability and expanding its sales channels to online and overseas to be continuously liked by consumers and maintain high popularity ratings. We will provide the Sun Smile with our support to establish solid management base and business infrastructure in the organization and help expand the business.

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.

J-STAR

J-STAR Co., Ltd. (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 37 transactions in various industries such as consumer durables, services, healthcare, media and manufacturing.