



September 30, 2020

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

Acquisition of the shares of DAINICHI Corporation

We are pleased to inform you that the holding company, which is funded by the Funds, to which we provide investment-related services (*1) ("the holding company"), has acquired the shares of DAINICHI Corporation (Head Office: Uwajima City, Ehime Prefecture, Representative Director: Makoto Tamaru, URL: <http://www.dainichi-ff.co.jp>, "DAINICHI") from existing shareholders such as the founder family.

In 1973, DAINICHI established a feed business in Uwajima, one of Japan's leading marine aquaculture area, selling feed and materials to aquaculture companies in that area. Subsequently, the company entered the fishery business selling farmed fish, mainly red sea bream and yellowtail. As a result, DAINICHI has grown as a company that can support the entire aquaculture businesses. In recent years, the company itself has entered the aquaculture business of fish including red sea bream, yellowtail, and bluefin tuna. In particular, DAINICHI possesses advanced aquaculture technologies and, for red sea bream, has acquired the world's first Aquaculture Stewardship Council (ASC) certificate, an international certification that proves responsible aquaculture products.

Given the heightened environmental awareness including the promotion of the SDGs, demand for farmed fish is increasing worldwide. In response to such a trend, it is expected that the exports of fish farmed in Japan will increase and that the major mass retailers and the restaurant industry will shift from natural fish to farmed fish. We believe that the role of DAINICHI will grow further in the aquaculture industry.

The holding company, together with the current management team, will provide full support for the growth initiatives which will be implemented by DAINICHI.

We retained City-Yuwa Partners and Seafood Legacy Co., Ltd. for this investment.

END

(*1) J-STAR Co., Ltd. provides investment-related services including investigation and introduction of investment opportunities and support for portfolio companies, respectively, to J-STAR No.4 A, LP, and other investment entities either directly or through our subsidiary.