

## KANEMATSU CORPORATION

### **Establishment of Corporate Investment Fund for Business Expansion in Asia; Implementation of First Investment Project**

Kanematsu Corporation (“Kanematsu”) is pleased to announce that it has jointly established a corporate investment fund supporting advancement into Asia (AZ-Star Ichi-go Investment Limited Partnership; “New Fund”) together with Aozora Bank, Ltd. (“Aozora”) and ES Networks Co., Ltd. (“ES Networks”). The first investment project was implemented today through AZ-Star Co., Ltd. (“AZ-Star”), the fund management company that operates the fund. The details are as follows.

Participation in the corporate investment fund support advancement into Asia is one of the measures to embody “Support of Japanese manufacturers in overseas expansion,” one of the key area of our medium-term vision “VISION-130” (from Apr, 2014 to Mar, 2019) for the 130th anniversary of our founding. We believe the fund will contribute to the needs of our customers in relation to their efforts to enter Asia.

#### **1. Overview of the New Fund and AZ-Star Co., Ltd.**

The New Fund will make investments in Japanese companies expected to enhance growth by expanding their business into the Asian region. Through alliances with local companies and entry into local markets, the fund aims to leverage the sophisticated technologies and excellent services that Japanese companies offer, incorporating Asian growth into Japan.

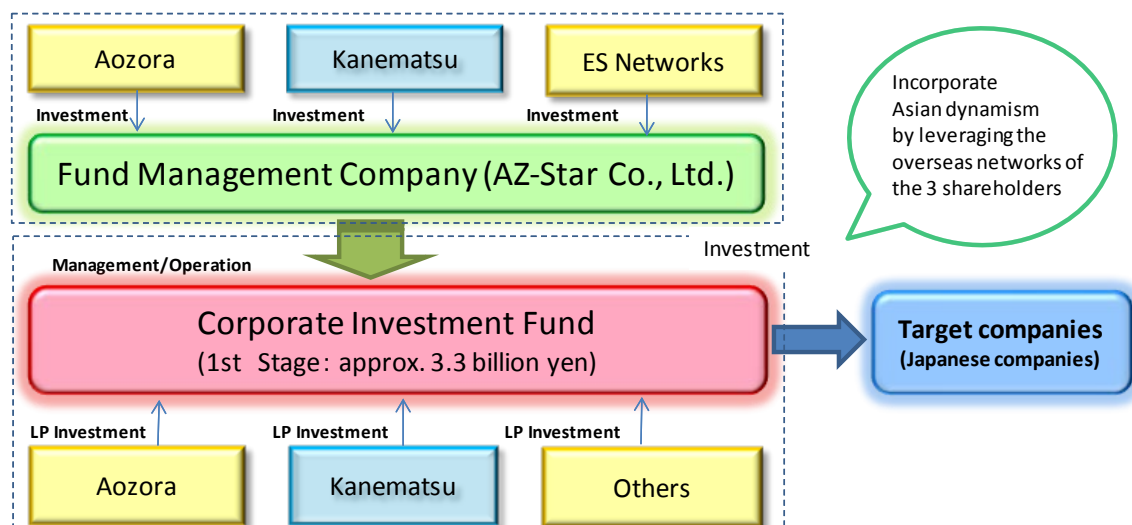
Investments through the fund will mainly consist of common stock investments, as well as convertible bonds or other flexible methods of investment.

In the first stage, Kanematsu, Aozora and others invested 3.3 billion yen in total to establish the New Fund in April of this year. In the second stage, the Bank intends to obtain additional investments from its alliance bank partners in Asia as well as regional financial institutions in Japan, in order to expand the scale of the fund to 15-20 billion yen.

Through this partnership, Kanematsu and Aozora will introduce M&A and business alliance opportunities which can contribute to the growth of the Japanese companies they invest in and support collaborations with their business partners, by leveraging their respective financial (cross-border M&A alliance bank partners, M&A network in Asia) and company networks.

In addition, ES Networks will utilize its global network of accounting firms to respond to the tax and accounting needs of the target companies.

## Overview of Scheme



## Overview of Fund Management Company

Name:	AZ-Star Co., Ltd.
Headquarters:	2-7, Kudan-minami 3-chome, Chiyoda-ku, Tokyo
Established:	February 18, 2015
Capital:	30 million yen
Shareholders:	Aozora, Kanematsu, ES Networks
Representative:	Shinichiro Suzuki
Commencement of operations:	April 2, 2015

Chiang Pin-kung, senior advisor at CTBC Financial Holding Co., Ltd. (President and CEO, Investment Business: Daniel Wu; Head Office: Taipei, Republic of China) ("CTBC"), with which Aozora has signed a comprehensive business alliance, and Chairman of the 'Third Wednesday Club', an organization founded by a group of major Taiwanese corporations, has been appointed advisor to AZ-Star.

\* Please refer to the attachment for each our partner (Aozora and ES Networks) and CTBC Financial Holdings Co., Ltd.

## 2. First project under the New Fund (Corporate Investment Fund)

Effective today, the New Fund acquired all shares in Premium Financial Services Co., Ltd. ("PFS").

PFS provides car loans and other credit products, as well as warranties on used car parts, through a nationwide network of approximately 27,000 member companies (as of March 2015), primarily consisting of car dealerships. PFS is seeking to expand its business into the fast-growing Asian region, and the Fund's investment in PFS was realized as a result of the latter's recognition of the New Fund's ability to support expansions into Asia.

Kanematsu will firmly support PFS's growth, utilizing its value chains and expertise in overseas expansion, as well as the cross-border M&A business alliance network of Aozora, which includes CTBC.

### Overview of First Project

Name of Target Company:	Premium Financial Services Co., Ltd.
Headquarters:	9-9, Roppongi 1-chome, Minato-ku, Tokyo
Established:	July 31, 2007
Representative:	Yoichi Shibata
Operations:	Finance Business, mainly related to car financing Warranty Business (used car parts), Insurance Agency Business, Planning and Provision of Services
URL:	<a href="http://p-fs.co.jp/">http://p-fs.co.jp/</a>

Contact:

Public & Investor Relations Section, Kanematsu Corporation

Tel: +81-3-5440-8000

### **Overview of Aozora**

Name: Aozora Bank, Ltd.  
Established: Apr, 1957  
Representative: Shinsuke Baba  
Headquarters: 3-1, Kudan-minami 1-chome, Chiyoda-ku, Tokyo  
Capital: 100 billion yen

### **Overview of ES Networks**

Name: ES Networks Co., Ltd.  
Established: October 7, 1999  
Representative: Shintaro Suhara  
Headquarters: Marunouchi Trust North 15F, 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
Capital: 567 million yen

### **Overview of CTBC Financial Holding** (As of end-December 2014)

Name: CTBC Financial Holding Co., Ltd. (CTBC)  
Established: May 2002  
Chairman: Wen-Long Yen  
Headquarters: Taipei, Republic of China  
Capital: NT\$ 152.6billion (approx. 610.4 billion yen)  
Total Assets: NT\$ 3,654.7 billion (approx. 14.6 trillion yen)  
(NT\$1 = JPY4.0)