



August 1, 2014

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

J-STAR Becomes a Signatory to the Principles for Responsible Investment

J-STAR has become a signatory to the United Nations-supported Principles for Responsible Investment ("PRI"*), to express our commitment towards incorporating Environment, Social, and Governance ("ESG") in our business activities.

We believe that ESG issues have the potential to impact both our own activities, as well as those of our investee companies. J-STAR supports small to mid-sized Japanese companies not only through capital solutions, but also through our investment & monitoring process. Prior to signing the PRI, J-STAR's investment activities already incorporated ESG related aspects of our business. By becoming a PRI signatory we wish to demonstrate our commitment to responsible investment to all our stakeholders and to further strengthen our fiduciary duty towards investors, investee companies and their management and employees.

* The PRI are investment principles launched in 2006 by Kofi Annan, then Secretary-General of the United Nations, and other major global institutional investors. As international recognition of responsible investment and ESG is increasing, we consider signing PRI to be a way of enhancing our responsible investment activities. We also recognize that this is an expectation of our investors, which include major global financial institutions. We believe that the identification and management of ESG related aspects of our investee companies creates the opportunity to improve company performance allowing us to maximize mid-term / long-term investment returns.

(Appendix) The six Principles of PRI are as follows.

(Source: <http://www.unpri.org/about-pri/the-six-principles/>)

Principle 1: We will incorporate ESG issues into investment analysis and

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

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Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

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J-STAR Co., Ltd. (<http://www.j-star.co.jp/en/>)

Founded in 2006 as independent Japanese firm, J-STAR is mainly involved in private equity investments for private companies. Management rights are acquired from the company to undertake management buyout (MBO) investments that improve corporate value. 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, we focus on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, J-STAR invested in more than 18 transactions in various industries such as consumer goods, B to B/B to C service, Healthcare, Environment, and Manufacturing.