



November 1, 2016

J-STAR Co., Ltd.

Gregory Hara

President & Representative Director

Announcement of Acquisition of Hunel FEA Inc. by Nihon Hoken Service Inc.

This is to announce that Nihon Hoken Service Inc. (Headquarters: Nakano, Tokyo, Company Representative: Mr. Kimihiro Higuchi, URL: <http://www.n-h-s.co.jp/>, "NHS"), a portfolio company of our wholly managed and operated investment fund, J-STAR No. 2 Investment Limited Partnership ("J-STAR No.2"), has acquired Hunel FEA Inc. (headquarters: Shinjuku, Tokyo, Company representative: Mr. Kozo Fukushima, URL: <http://www.hunelfea.co.jp/>, "FEA").

NHS has been rapidly growing in the insurance agency sector, using the hybrid marketing model of telemarketing and face-to-face sales, specializing in the "Third Sector" insurance products such as cancer insurance and medical insurance. Since the investment in NHS from J-STAR No.2, NHS has strengthened the organizational structure to comply with the tightened regulations while expanding the business through acquiring Sokisha Corporation ("Sokisha"). FEA has a strength in solicitation of the "First Sector" (life insurance) and the "Second Sector" (general insurance) insurance products where NHS is not yet moved into, with over 200 sales force across the nation. By acquiring FEA, NHS, Sokisha, and FEA (collectively "NHS Group") is able to propose products across various sectors to meet the customers' needs. NHS Group will seek for business synergies among the companies in order to further enhance the growth. J-STAR will continue to support NHS Group to become the new type of an insurance agency who are trusted and chosen by customers.

In approaching the acquisition, J-STAR enlisted Aqua Corporate Advisory Co., Ltd., and Nagashima Ohno & Tsunematsu.

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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, 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 in more than 32 transactions in various industries such as consumer durables, services, healthcare, media and manufacturing.