



December 28, 2017

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

Announcement of Acquisition of JC International Trade Business

This is to announce that JC International Trade Co., Ltd ("JCI," a newly established SPC), has acquired the retail business of costumes with a brand name called BODYLINE (the "Acquired Business") of JC International Trade Co., Ltd ("JCIT" or the "Target Company"). JCIT has a Headquarter in Yachiyo, Chiba, whose representative is Mr. Kenichi Fukuda (URL: <https://www.rakuten.ne.jp/gold/bodyline/index.html>). JCI is a portfolio company of J-STAR No.3 SS, LP, etc., funds that J-STAR provides investment-related services.

In 2003, the Target Company started as a retailer of BODYLINE costume. The Acquired Business consists strong cost competitiveness by controlling the entire supply chain, which includes design, preparation of raw material and manufacturing commission, and trade control. Their distribution channel is a balanced mixture of e-commerce, own shop retail and wholesale, which is unique compared to competitors which mainly focuses on wholesale.

Currently, the customers recognize BODYLINE as a low-cost, high-quality brand with a rich assortment in the niche entertainment fashion market. On the other hand, a small group of employees operated the business. Thus, supply chain management was very personal and causing difficulties to achieve business successions.

Through this acquisition, we will support JCI to successfully succeed BODYLINE brand by utilizing our knowledge and network in consumer products. Our support includes standardization and systematization of supply chain management, enhancement of merchandising by introducing of data analysis, further development of retail by renewing e-commerce website, implementation of collaborative marketing with entertainment events, strengthening internal control by team building, and expansion of international business focusing on cross-border e-commerce. By applying those value improvements, we will support JCI to provide higher quality goods and better experience value.

J-STAR

In approaching the acquisition, the following parties provided services: Nihon M&A Center Inc. as a financial advisor, Mori Hamada & Matsumoto as a legal advisor, and Fair Consulting Group as finance and tax due diligence professional.

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 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 44 transactions in various industries such as consumer durables, services, healthcare, media and manufacturing.