

Cool Japan Fund Inc.
Tokyo, April 27, 2017

**Investment in the Japanese Fruit and Vegetable Export Sales Business in Hong Kong
– Supporting Market Growth for Japanese Agricultural Products Through
the Construction of an Export Expansion Platform –**

Cool Japan Fund (CJF) has decided to invest of up to 366 million yen to Global Ichiba Corp. (Global Ichiba), a subsidiary of Nousouken Corporation (Nousouken), in support of establishing a Japanese agricultural product export sales business in Hong Kong. This business will expand the local customer base and increase the consumption of Japanese fruits and vegetables in Hong Kong by allowing many of the local supermarkets to have access at more affordable prices, and construct a system which returns the profit earned from foreign market to producers in Japan. This system will be enhanced as an export expansion platform in order to enlarge the Japanese agricultural products market.

The Japanese government has set a goal to export 1 trillion yen worth of agricultural, forest and fishery products as well as food products by 2019. It also enthusiastically supports the efforts of private enterprises which aim to expand sales channels overseas.

Every year, over 180 billion yen worth of agricultural, forest and fishery and food products are exported to the Hong Kong market, which is the largest importer of such products. However, the majority of this consists of processed foods, while agricultural products only makes up four percent or 7 billion yen of the total amount. Adding to this, only expensive fruits and vegetables which can offset their high distribution costs are able to enter the market. Such fruits and vegetables generally end up being marketed towards wealthier customers or as special gifts. In order to further increase the volume of exports, efforts are required to increase purchases of public consumers.

Nousouken has established a direct sales platform which agricultural producers all over Japan can directly supply their products through 61 stations of Nousouken to 934 produce stands in supermarkets with their IT system that matches demands and supplies. It has supplemented large scale distributions, such as the Japan Agricultural Cooperatives. Nousouken also offers fresh produce to consumers that they will be able to see who is the producers and gives opportunities to producers to increase their revenue by allowing them to sell non-standard goods and distribute products of their own brand.

Nousouken has also utilized its strength in being able to procure agricultural products from various areas in Japan throughout the year and performed market tests focused on Asia through its subsidiary Global Ichiba. This has been done in order to explore new possibilities of exporting agricultural products.

CJF has decided to invest up to 366 million yen in Global Ichiba to support the proper establishment and the operation of a Japanese fruit and vegetable export sales system that will first start in Hong Kong. It will be based on the system verified by Global Ichiba that will allow the locals to purchase Japanese agricultural products at affordable prices consistently throughout the year.

Through this project, the local customer base will expand, leading to further developments in foreign demands while providing the opportunities of revenue growth to Japanese agricultural producers. Relevant government ministries and agencies, local public organizations and producers throughout Japan will cooperate in order to make this a widely-available platform to distribute Japanese agricultural produce while achieving the goal of increasing the number of producers exporting to Hong Kong to 1000 within five years. The application of the same platforms to other areas in Asia will also be considered.. This will expand the Japanese agricultural produce market and contribute to the Ministry of Agriculture, Forestry and Fisheries’ “strategy for exporting agriculture, forestry and fisheries”.

CJF believes that bringing the entire food ecosystem, including food processing, logistics and human resources education functions that sustain Japan’s food market abroad is fundamental in order to increase foreign demands for Japanese cuisine.

CJF will work on projects with various private companies to maintain developments in contact points with customers such as restaurants and retailers from a local point of view, as well as the functions that sustain them.

*Data of Stations and Produce Stands are as of April 26, 2017

[About Nousouken Corporation]

Location of Head Office: 17-4 Kuroda Wakayama-shi, Wakayama
Established: October, 2007
President and CEO: Tomomasa Oikawa
Capital: 199 million Yen
Business Description: Farmers’ direct sales, agricultural distribution and consulting businesses. Manages direct produce shipping platforms which link supermarkets and producers throughout Japan. Expands business by supplementing large scale circulations such as the Japan Agricultural Cooperatives, utilizing its original system which allows producers to decide their items, standards, prices and quantities and put them into circulation.
Website: <http://www.nousouken.co.jp/>

[About Global Ichiba Corp.]

Location of Head Office: 9-5-12 Akasaka Minato Ward, Tokyo
Established: September, 2015
President and CEO: Takuya Murata
Capital: 30 million Yen
Business Description: Exports Japanese agricultural produce overseas. Subsidiary of Nousouken Corporation, which assumes overseas expansion of direct produce shipping platforms.
Website: <http://sekai-ichiba.co.jp/>
