

Company Japan Investment Adviser Co., Ltd.
 Representative President & CEO Naoto Shiraiwa
 (TSE Prime Market, Stock Code: 7172)
 Contact Board of Director Takeshi Sugimoto
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Notice of acquisition of the shares of CF Startups Inc. (acquisition of CF Startups Inc. as a subsidiary)

Japan Investment Adviser Co., Ltd. (hereinafter referred to as “JIA”) hereby announces that we have acquired all the shares of CF Startups Inc. (hereinafter referred to as “CF Startups”) and made it one of our subsidiaries today as described below.

1. Purpose in the acquisition of CF Startups as a subsidiary

The JIA Group is a corporate group that operates businesses such as the creation, sale, and management of financial instruments, private equity investment, and a myriad of advisory services while espousing the corporate group’s philosophy, “Always be a company contributing to society by offering financial services.” We are expanding the financing services through the acquisition of CF Startups, which engages in a business of equity-based crowdfunding, as our new subsidiary. Taking advantage of our financial capabilities, we proactively introduce companies with financing needs to investors with fund management needs and offer support to small- and medium-sized enterprises that are sustaining the Japanese economy.

2. Overview of CF Startups (As of May 31, 2024)

(1) Company Name	CF Startups Inc.
(2) Address	MAC Shibuya Building 8F 15-10 Minamihiradaicho, Shibuya-ku, Tokyo
(3) Representative’s title and name	President and Representative Director Hitoshi Usui (Appointed at the Extraordinary General Meeting of Shareholders and Board of Directors Meeting to be held on May 31, 2024)
(4) Description of Business	Equity investment-type crowdfunding business (Type I small-amount electronic public offering services) ※Service Web-Site (https://cfangels.jp/)
(5) Establishment	May 15, 2015
(6) Major shareholders	Japan Investment Advisors Co., Ltd. (100%) May 31, 2024, to acquire all shares from CF Holding, Inc.
(7) Relationship between JIA and CF Startups	Capital relationship: Not applicable (prior to the share acquisition) Personnel relationship: Not applicable (prior to the share acquisition) Business relationship: Not applicable (prior to the share acquisition)

(8) Operating results and financial position for the last three years (in a unit of thousand yen)				
Fiscal Year End	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022	Fiscal year ended Dec. 31, 2023	
Net Assets	46,959	85,217	54,765	
Total Assets	128,105	89,934	93,628	
Sales	38,934	41,006	55,262	
Operating Profit	(144,712)	(90,301)	(88,762)	
Ordinary Profit	(146,238)	9,669	(10,289)	
Net Profit	(147,596)	59,758	(11,951)	

3. Overview of Counterparty to Share Acquisition

(1) Company Name	CF Holdings Inc.
(2) Address	221-1 Nunobikibaru, Makinohara City, Shizuoka Prefecture
(3) Representative's title and name	President and Representative Director Yoshito Denawa
(4) Description of Business	Holding Company
(5) Establishment	March 1, 2022
(6) Relationship between JIA and CF Holdings Inc.	Capital relationship: Not applicable Personnel relationship: Not applicable Business relationship: Not applicable

※ Even after this acquisition, CF Startups continues cooperative relationships with CF Holdings Inc. and one of its group companies, CF Startups Partners Inc., by entering into business partnership agreements regarding support for the growth of startup companies with them.

4. Number of Shares Acquired, Acquisition Cost and Status of Shares Owned before and after Acquisition

(1) Number of shares owned before the change	0 Shares
(2) Number of shares acquired	3,418,000 Shares
(3) Acquisition cost	We will refrain from disclosing the acquisition cost in order to comply with our confidentiality obligation.
(4) Number of shares owned after the change	3,418,000 Shares

5. Future outlook on the JIA Group's business

History of equity-based crowdfunding

Equity-based crowdfunding is a system that enables startup companies to collect small amounts of funds from a number of people via the Internet, and the equity-based crowdfunding program (a regulatory framework for small-amount electronic public offering services) was adopted in 2015. Today, five financial instruments trading companies (*) provide the small-amount electronic public offering services.

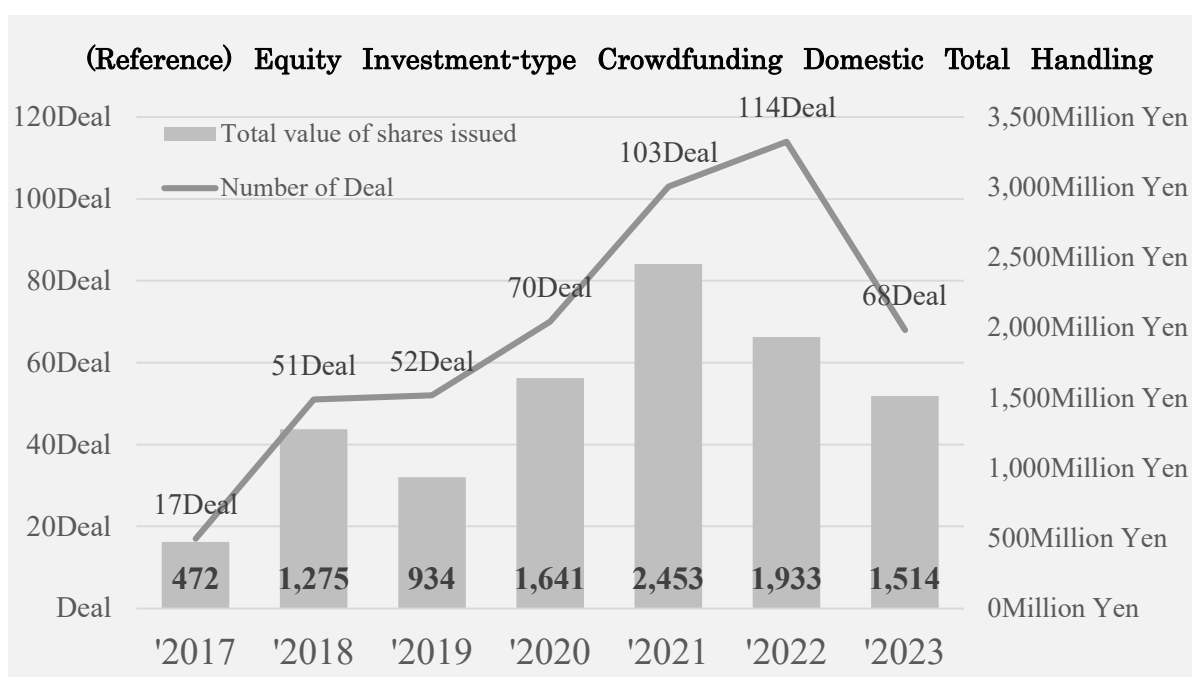
The scale of the services that each of the five financial instruments trading companies offers is as shown below. Each of the financial instruments trading companies gets commissions on the services.

(*) Names of 5 handling companies (as of September 1, 2022)

Handling Companies	date of accession
Ecrowd Inc.	April 24, 2020
Angel Navi Co., Ltd.	August 15, 2019
<u>CF Startups Inc.</u>	<u>September 1, 2017</u>
FUNDINNO, Inc.	November 1, 2016
unicorn, inc.	February 1, 2019

(*)Source : From the website of Japan Securities Dealers Association

<https://market.jsda.or.jp/shijyo/kabucrowdfunding/toriatsukaigyousha/20200907114040.html>



(Source) Based on the content of the Japan Securities Dealers Association website, processed by the Company.

https://www.jsda.or.jp/shiryoshitsu/toukei/kabucrowdfunding/index.html?_ga=2.17638591.724574941.1716536668-977261602.1716536668

Market environment of equity-based crowdfunding

The “Asset Management Task Force” of the Financial System Council was set up last year with the aim of discussing how to revitalize equity-based crowdfunding as one of the measures to facilitate companies’ participation and withdrawal and develop startup companies. Specifically, the following two items concerning creation of the market environment are under discussion:

- (1) Increase of the total amount of shares outstanding for equity-based crowdfunding per company from the current amount of 100 million yen to 500 million yen
- (2) Change of the current upper limit of equity-based crowdfunding investment per investor (excluding specified investors), which is set at 500,000 yen for all investors, to amounts that vary depending on factors such as the annual income and assets of each investor

How the equity-based crowdfunding business is positioned in the JIA Group

The JIA Group provides a wide variety of services as listed below with the aim of unlocking the potential of small- and medium-sized enterprises that are supporting the Japanese economy:

- IPO Consulting Business (for general markets and the TOKYO PRO Market)
- M&A Advisory Business
- Business Succession Consulting Business
- Private Equity Investment Business
- **Equity-based Crowdfunding**

As the Equity-based Crowdfunding Business has been added to our businesses, we will be able to offer a more extensive array of options than ever before and fulfill companies' financing needs.

Furthermore, based on discussions by the "Asset Management Task Force," we believe that the equity-based crowdfunding market will demonstrate an enormous potential when the environment of equity-based crowdfunding is successfully created and expanded. We will strive to take the largest market share in the industry by utilizing the JIA Group's resources and networks.

6. Future outlook

The impact of this matter on JIA Group's business performance for the fiscal year ending December 31, 2024 is minor, at this moment.

Inquiries:
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