

Cool Japan Fund Inc.
Tokyo, September 25, 2014

Investing in a media and e-commerce company –
Telling the world about Japanese Pop Culture

Cool Japan Fund today announced the decision to invest in Tokyo Otaku Mode Inc. (TOM), a company that uses Facebook to spread information about Japanese pop culture like anime and manga to customers overseas, and operates an e-commerce website to sell related goods and products. The investment is designed to serve as the growth capital TOM needs to expand their e-commerce operations in the global market, and will total up to a maximum of 1.5 billion yen over three years.

Cool Japan Fund's goal for this investment is to support the expansion and development of the content creation industry overseas using TOM's platform on the global market to provide information about Japanese pop culture and monetize it, and at the same time, help cultivate young Japanese artists and creators.

The popularity of Japanese anime, manga, and other pop culture content has risen overseas in recent years. The content industry – responsible for selling licenses for official works and related products – has up until now focused on the domestic market, but overseas market expansion has become an increasingly important issue, and expansion faces a number of barriers due to complex rights management issues, localization, insufficient distribution networks and hubs, losses due to piracy, etc.

TOM launched a Facebook page to communicate to people around the world the appeal of Japanese pop culture, and later started an associated e-commerce site to sell illustrations, figurines, and other related goods. TOM's Facebook page provides English language information about Japanese anime, manga, games, etc. and they soon began to be linked to by other influential pages related to pop culture in Japan. Within a few months of opening they saw a sharp increase in fans, and they now boast more than 16 million likes from people worldwide.

Likewise, the e-commerce site features products related to Japanese pop culture. Sales of unlicensed parallel imports and counterfeit goods are high around the world, but TOM makes reliability and quality their strength with their policy to only deal in high-quality official goods under license from copyright holders. They work in cooperation with the Ministry of Economy, Trade and Industry (METI) and its anti-piracy measures, and provide links to official sites. TOM also offers a place for more than 1,000 uniquely selected "special creators" to display their illustrations and other work, helps them

commercialize it, and sells it on their e-commerce site. This helps as-yet unknown artists make a name for themselves.

Cool Japan Fund has decided to offer TOM growth capital they need to promote brand recognition and expand their e-commerce operations by providing a maximum investment of 1.5 billion yen over the next three years.

The goal of Cool Japan Fund is to create a Japan-wide cooperative business environment between rights-holders, publishers, goods manufacturers and distributors that is geared towards overseas expansion, and to support the expansion and development of the content creation industry overseas by using TOM's platform on the global market to provide information about Japanese pop culture and monetize it.

Cool Japan Fund also anticipate a ripple effect across other fields through increasing opportunities for more than 1,000 young creators, working against piracy through distribution of official goods, supporting regional revitalization through sales on the TOM site of products made through collaborations between producers of regional goods, traditional crafts and pop culture, and increasing tourism to Japan by visitors interested in Japanese pop culture.

[About Tokyo Otaku Mode Inc.]

Established: April, 2012 (Incorporated in Delaware, USA)

Business description:

Media and e-commerce businesses aimed at overseas customers of Japanese pop culture products.

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[About Cool Japan Fund]

Cool Japan Fund was founded in November 2013 as a public-private fund under law with the aim of supporting and promoting the development of overseas demand for excellent Japanese products and services. We aim to commercialize the Cool Japan concept and increase overseas demand by providing risk capital for businesses across a variety of areas, including media & content, food & services, and fashion and lifestyle.

(Website: <http://www.cj-fund.co.jp/en/>)

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