

December 19, 2024  
Cool Japan Fund Inc.

## **Cool Japan Fund invests in Funding Asia Group, a Digital Finance Platform Provider for SMEs in Southeast Asia Supporting the Overseas Business Expansion of Japanese Companies**

Cool Japan Fund, Inc. (CJF) has decided to invest 25 million USD in Funding Asia Group Pte. Ltd. (known as Funding Societies), a digital finance platform provider for small and medium enterprises (SMEs) in Southeast Asia supporting the overseas business expansion of Japanese companies.

When entering new overseas markets, Japanese companies face challenges in situations such as selecting local business partners and negotiating contracts, and also in financial matters such as collecting payment from local business partners. Such challenges sometimes prevent Japanese companies from entering new overseas markets, giving rise to the need to mitigate risk associated with collecting payment from local business partners in foreign markets.

The financing and credit provided to local SMEs by Funding Societies are extended based on a wealth of credit data accumulated by the Group, and the risk associated with collecting payment is mitigated through financing support for Japanese companies in the foreign markets as well as support for the SMEs doing business with Japanese companies. Unlike Japanese financial institutions, Funding Societies is also well placed to support Japanese companies' business environment in foreign markets through the provision of credit to local SMEs doing business with Japanese companies operating overseas. Through this investment, CJF will help expand overseas demand for attractive products and services unique to Japanese lifestyle and culture by supporting the overseas business expansion of Japanese companies engaged in providing them.

Funding Societies provides a digital finance platform for SMEs in five Southeast Asian countries: Singapore, Indonesia, Malaysia, Thailand and Vietnam.

Since its launch in 2015, Funding Societies has been involved in the business of providing short-term business financing for local SMEs in Southeast Asia. The Group's strength lies in the wealth of credit information it has accumulated about local SMEs that have weak access to financing from traditional banks. Using a credit supply model designed based on the collected data, the Group gives local SMEs speedy access to short-term micro-financing and other financial services,

establishing a unique position among Fintech companies.

In addition, Funding Societies has a localized management system in the five Southeast Asian countries in which it operates, and has built a structure for business expansion in multiple countries that allows it to quickly address any changes in the market environment or financial regulations in a certain country and minimize the impact on the Group as whole.

Demand for financing among SMEs in Southeast Asia is still high, and the overall growth trend of SME finance suggests that the market has huge potential. With CJF's support, Funding Societies is expected to provide financial support to Japanese companies in foreign markets and also mitigate the risk associated with collecting payments from local SMEs, which might be an issue for Japanese companies entering Southeast Asian markets. Through its business activities, the Group is also expected to help stabilize the local supply chains of Japanese companies and support the overseas expansion of Japanese companies engaged in providing attractive products and services unique to Japanese lifestyle and culture.

**About Funding Asia Group Pte. Ltd.**

Founded : 2015

Head office : Singapore

Group CEO : Kelvin Teo

Details of business: Digital finance platform business for SMEs in Southeast Asia

Website : <https://fundingsocieties.com/>

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