Translation of the Japanese press release

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Notice Regarding Share Transfer Agreement of PAPABUBBLE JAPAN HD (Portfolio Company)

JAFCO Group Co., Ltd. (Headquarters: Minato-ku, Tokyo; President & CEO: Keisuke Miyoshi) hereby announces that it has concluded an agreement to transfer 100% of outstanding shares of PAPABUBBLE JAPAN HD INC. (hereafter collectively referred together with its fully-owned subsidiary PAPABUBBLE JAPAN INC. as "PAPABUBBLE"), a portfolio company of funds it operates and manages (JAFCO SV5 Investment Limited Partnership and JAFCO SV5-STAR Investment Limited Partnership; hereafter collectively referred to as "JAFCO"), to Akatsuki Inc. (Headquarters: Shinagawa-ku, Tokyo; President & CEO: Tetsuro Koda; hereafter referred to as "Akatsuki").

PAPABUBBLE

PAPABUBBLE operates handmade art candy shops under the PAPABUBBLE brand. Since opening its Nakano store in 2005, it has expanded to several locations, including Daimaru Tokyo. With the concept "it's not candy unless it's exciting," artisans make candy right in front of customers in the store, offering an impactful performance. The candy is characterized by the unique texture, refined sweetness, and design that only handmade production can provide.

PAPABUBBLE's shops are like small theaters that are a delight for the five senses, letting customers have fun in seeing, choosing, and eating. It is one of the few candy shops that provides intangible experiential consumption rather than just the consumption of goods.

Since investing in PAPABUBBLE in October 2017 to expand its business, JAFCO has helped PAPABUBBLE realize its growth strategy over a period of about eight years as its partner. During the COVID-19 pandemic, while retail businesses in general were heavily impacted and PAPABUBBLE was no exception, the company maintained operations, and JAFCO supported its post-pandemic return to growth.

As PAPABUBBLE celebrates its 20th anniversary, we have deemed Akatsuki an optimal partner for further sustainable growth of the company and have agreed to the share transfer.

JAFCO will continue to contribute to the realization of a sustainable society by investing in bold visions that create new value.