

September 29, 2020

Former Mercari CFO, Kei Nagasawa and former senior Morgan Stanley banker, Kensuke Murashima, have established a growth equity fund with Pleiad Investment Advisors

-With an aim to empower Japanese startups by providing growth capital and professional advice to enhance long-term growth and value creation-

Kei Nagasawa, former Mercari CFO, and Kensuke Murashima, former Head of Japan for Global Internet Banking/Global Software Banking at Morgan Stanley, have agreed to establish Minerva Growth Partners, a growth investment business for late-stage (*1) private startups in Japan, with Pleiad Investment Advisors, an independent asset management company in Hong Kong. As a first step, Nagasawa and Murashima, together with Pleiad Investment Advisors, have formed a technology-focused growth equity fund Pleiad-Minerva Japan Growth Opportunities L.P. (*2), targeting total capital commitments of JPY 15 billion for growth capital investments primarily in late-stage private startups in Japan.

*1 Late-stage refers to a stage where a startup has established a sound business model as well as a path to profitability, and further growth can be expected from additional investment.

*2 The fund is a financial product managed outside of Japan and is not for primary or secondary offering in Japan. This press release has been prepared with the purpose of providing information to qualified institutional investors and to companies that will be candidates for investment of the fund. It is not a disclosure based on the Financial Instruments and Exchange Act and is not intended to solicit or recommend applications to participate in the fund.



■About Minerva Growth Partners

Minerva Growth Partners is a business established by Kei Nagasawa, former Mercari CFO, and Kensuke Murashima, former Head of Japan for Global Internet Banking/Global Software Banking Group at Morgan Stanley, together with Pleiad Investment Advisors.

Business Overview:

- Name: Minerva Growth Partners Limited Liability Partnership
- Partners: Kei Nagasawa, Kensuke Murashima, and Pleiad Investment Advisors Limited
- Business activities: Investing in late-stage private startups
- Establishment Date: October 1st, 2020

Nagasawa and Murashima each have over 10 years of experience in supporting and executing financing in the Internet technology sector in Japan as well as in the US. Nagasawa and Murashima believe that “Growth Capital” funded by global institutional investors for late-stage private startups in Japan who can provide professional advice relevant to enhance and accelerate growth will be essential and therefore will establish Minerva Growth Partners together with Pleiad Investment Advisors.

■ About Pleiad Investment Advisors

Pleiad Investment Advisors is an independent asset management company established in Hong Kong in 2014 and is an approved asset management company by the Securities Futures and Exchange Commission (SFC) of Hong Kong. It invests in public companies in the Asia Pacific region (mainly Japan, China, and South Korea) through in-depth and extensive research, and specializes in a long-term, fundamental investment approach characterized by a relatively small number of concentrated holdings. As of the end of September 2020, it manages approximately 260 billion JPY (2.5 billion USD) and has a track record of investing in a variety of newly-listed growth stocks among Japanese startups.

■ Background of Fund Establishment

Currently, late-stage startups in Japan, even post-IPO, do not get full credit or value ascribed to them by investors if they are unprofitable despite significant growth potential. This makes it challenging for these companies to make significant upfront investments to drive medium to long-term growth. In addition, there is a very limited number of investors in Japan who will provide patient capital of several billion JPY to help startups build solid business foundations which will lead to more sustainable profit bases. All too often, many of these startups are rushed to the public market despite not being ready to scale their businesses either strategically or financially, for future profit growth.

In order to improve this situation, there is increasing need for not only patient growth capital, but also for hands-on experienced and professional advice on financing and capital market strategies for startups including preparation for global IPOs as well as post-IPO investor communications.

Pleiad-Minerva Japan Growth Opportunities L.P., has been established with the goal of helping to create and nurture the next generation of Japanese unicorns and scalable category leaders. Pleiad Investment Advisors, whose co-founders have an extensive track record of investing in public and private equities in the US, Asia, and Japan, together with Nagasawa and Murashima, both of whom have experience in operating and advising Japanese corporates with global capital market strategies, will become a true partner for the leading aspirational startups in Japan.

Leveraging our GP and LP network in the global market, the fund will also consider investing in non-Japanese startups as well as private equity investments targeting high-growth public companies.

■ Our Value Proposition

- **Hybrid team of local expertise with a global perspective**
 - A hybrid team of Yoshino and Lee with experience as global institutional investors, and Nagasawa and Murashima with hands-on operational and advisory experience in growing startups in Japan through IPO and post-IPO
 - Provide pre- and post-IPO advice on growth strategies including M&A, financing and capital markets and communications with investors
- **Strong empowerment support by leveraging Japanese and global network**
 - Provide support based on management expertise and insight, including the Advisory Board (details described below)
 - Broad network of leading corporates and investors in Japan, Asia, North America and Europe
- **Private-public crossover, long-term partnership)**
 - Long-term holding from pre-IPO to post-IPO, allowing to invest across the company's entire lifecycle
 - Pleiad Investment Advisors can invest at IPO and post-IPO to hold large positions in the public markets for long and super-long holding periods

■ Overview of the Fund

Fund Name	Pleiad-Minerva Japan Growth Opportunities L.P.*
Target Total Commitment Amount	JPY 15 billion
Investment Targets	- Pre-IPO investments in late-stage startups, focused on the technology-driven companies primarily in Internet/software (assuming JPY 1-3 billion per investment) - Private equity investments in public companies in the growth stage

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■ Managing Partners

Kei Nagasawa Founding Partner, Minerva Growth Partners

After working in the investment/M&A advisory division mainly in energy, retail, and food sector at Mitsubishi Corporation, he joined Goldman Sachs Investment Banking Department in 2007 where he was responsible for financial advisory services including M&A and IPOs, mainly in the technology sector in Tokyo and San Francisco. Nagasawa became CFO at Mercari, Japan's first private unicorn to raise capital twice, and IPOed the company in June 2018. He resigned as CFO in September 2020.

He graduated from Keio University, and an MBA from University of Chicago.

Kensuke Murashima, Founding Partner, Minerva Growth Partners

After engaging in new business development and corporate venture capital focused in the technology sector in Japan and overseas at Mitsubishi Corporation, he joined Morgan Stanley in 2007. Since then, he has been solely in the technology investment banking business in its Tokyo and Silicon Valley (Menlo Park) offices with focuses on financing of public and private companies, IPO, and on M&A and strategic investment advisory. He led a series of landmark IPO transactions including LINE, Mercari, Raksul and freee as Head of Japan for Morgan Stanley's Global Internet Banking and Global Software Banking Group.

He graduated from Keio University, and an MBA from Duke University.

Michael Yoshino, Founding Partner and Chief Investment Officer (CIO), Pleiad

After his career at TPG Capital (private equity investment in Tokyo), Tiger Asia Management (Asian equity investment in New York), and Soros Fund Management (Asian equity investment in New York and Hong Kong), he founded Pleiad in 2014 and became Chief Investment Officer. He has a wealth of experience in research and investment in Japanese companies, both private and public, as a fund manager.

He graduated from Yale University, and an MBA from the Kellogg School of Management at Northwestern University.

He played as a professional ice hockey player for Oji Paper in Japan for two years after graduating from Yale.

Kenneth Lee, Founding Partner and Chief Investment Officer (CIO), Pleiad

After his career at TPG Capital (private equity investment in Hong Kong), Tiger Asia Management (Asian equity investment in New York), Sequoia Capital (public and private equity investment), and Soros Fund Management (Asian equity investment in New York and Hong Kong), he founded Pleiad in 2014 and became Chief Investment Officer. He has a wealth of experience in research and investment in Asian companies, both private and public, as a fund manager.

He graduated from Amherst College, and an MBA from Harvard University.

■ Advisory Board

Minerva Growth Partners welcomes the following members to its Advisory Board. They are experienced in IPOs with growth capital funding as well as managing global businesses and will support portfolio companies with a wealth of management experience.

- Fumiaki Koizumi, President, Mercari, Inc. and Chief Executive Officer, Kashima Antlers FC
- Daisuke Sasaki, Chief Executive Officer, freee K.K.
- Yo Nagami, Chief Financial Officer, Raksul Inc.
- Ray Hatoyama, Chief Executive Officer, Hatoyama Soken Corporation

■ Inquiries

Pleiad Investment Advisors Limited Minerva Growth Partners Project Office

<http://www.minerva-growth.com>

PR

info@minerva-growth.com