



March 11, 2016

Company Name: Oak Capital Corporation
Name of Representative: Hiroyasu Takei, Representative Director, Chairman and CEO
Securities Code Number: 3113 (Second Section of the Tokyo Stock Exchange)
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Notification on Business Support Investment in Path Corporation (TSE M 3840)

We believe that the role of Oak Capital is to support growth strategies of companies aiming to increase their corporate value by providing necessary business funds and M&A capital, and by assisting them with their financial strategies. We therefore announce that we have decided to provide 1.5 billion yen in equity financing to Path Corporation (hereinafter “Path”) as we deem it important and necessary for them to expand their mail order business. The outline and background of the investment is as follows:

1. Supporting the business strategy aiming to expand the mail order business and create a “community marketplace”

Last year, Path have acquired two cosmetic companies engaged in planning and development of cosmetics and beauty/health-related products as well as in mail-order sales of such products through TV shopping, catalogs, web and radio. While the combines sales of the two acquired companies equal 3 billion yen per year, an important element of Path’s strategy is to grow their business and establish a stable profit base by creating a “community marketplace” that merges the growing cosmetics market with mail order and media businesses.

The financing provided by Oak capital will be proactively used to improve profitability by establishing a stable management foundation and engaging in M&A operations aiming to expand the business. We have decided to provide 1.5 billion yen in equity financing to help Path achieve these goals.

➤ Business strategy for growth and expansion

- Development of cosmetic, lifestyle, beauty and health-related products
 - Development of products and services matching customers’ preferences, peculiarities and lifestyles.
- Reinforcing sales capabilities in the mail order business
 - Effective promotion combining event and showroom information with web advertisements.
 - Establishing a customer base of 300,000 members by acquiring media outlets through M&A and strategic partnerships.
- Improving profitability by entering the travel planning sector of travel services business
 - Obtaining a travel agent license enabling the handling of domestic and international travel planning.
- Income diversification through expanding market reach, including overseas expansion
 - Provision of services, establishing partnerships and conducting M&A operations for inbound and outbound tourist markets

2. Breakdown of the investment amount

Equity warrants: 1.5 billion yen (expected payment after exercising rights)

3. Capital contribution ratio following the investment

The total amount of Oak Capital’s investment is equivalent to an equity stake ratio of 61.68%.

4. Planned investment execution date

Payment date: March 28, 2016

5. Path Corporation overview (as of December 31, 2015)

- (1) Corporate name: Path Corporation (TSE M 3840)
- (2) Representative: Reiji Shibata, Representative Director and CEO
- (3) Address: Metro City Kamiyacho 6th Floor, 5-1-5 Toranomom, Minato-ku, Tokyo
- (4) Established in: May 1990
- (5) Description of business: EC/media, strategic consulting, payment agency, travel (subsidiary)
- (6) Accounting term: Account settlement in March
- (7) Employees: 80 (consolidated)
- (8) Capital: 1.683 billion yen
- (9) Issued shares: 17,045,900 shares
- (10) Shareholder structure: Oak Capital Corporation (34.36%), Zyyx Inc. (3.92%), Japan Securities Finance Co., Ltd. (3.02%); others
- (11) URL: <http://www.pathway.co.jp/index.html>

- Overview of mail order business expansion and establishment of community marketplace



収益基盤の強化



コミュニティサービス事業の
成長加速

6. Oak Capital's support investments

We aid businesses by providing equity financing to help them obtain funds necessary to implement their growth strategies or conduct M&A operations, as well as providing support and advice related to their financial strategies. We also support their growth strategies by helping to increase their corporate value.