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Sustainable
Blue Economy

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MUSIC SECURITIES, INC.

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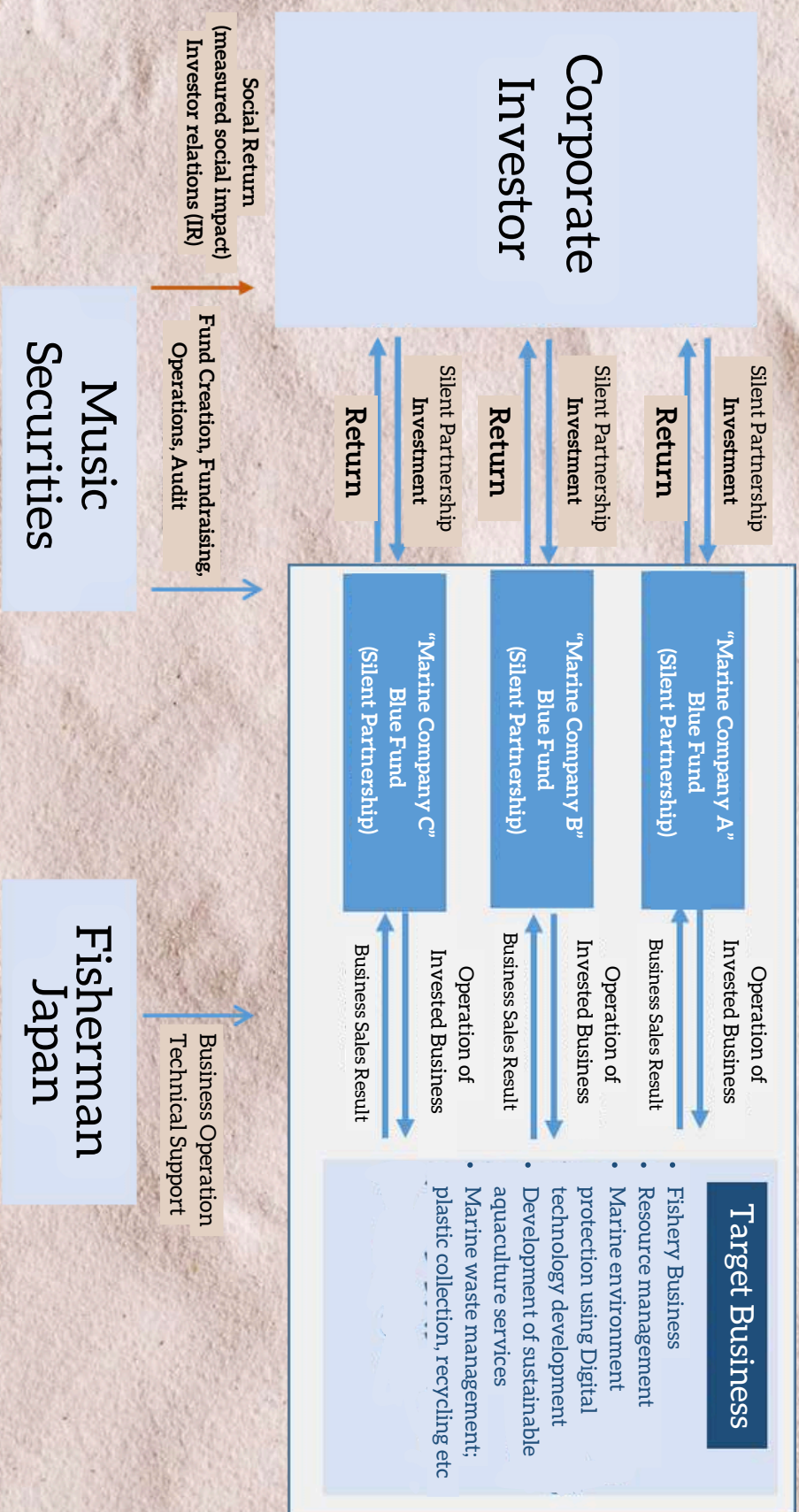
DISCLAIMER

Music Securities, Inc. is registered as a "Type II Financial Instruments Business Operator" with the Director of the Kanto Local Finance Bureau (Registration No.1791) and is a member of the Type II Financial Instruments Firms Association. When investing in our funds, there is a risk of losing principal. Please carefully read the explanation document of each fund before investing.

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FISHERMAN JAPAN BLUE FUND SCHEME





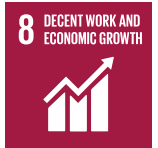
FISHERMAN JAPAN BLUE FUND: HOW DOES IT WORK?

The investment scheme involves forming a silent partnership fund with the invested business as the operator.

Silent partnership fund is created based on a 'silent partnership agreement' that is unique to Japan. In silent partnership agreement, revenue-sharing system is used and while investors do not receive shares or voting rights, they are entitled to a percentage of the sales from the business operator. Many business operators and investors find a novel merit from this scheme that is not found elsewhere.

This time, the Blue Fund received a commitment totaling JPY 100,000,000 from a corporate investor wishing to support the Blue Fund, and subsequently formed Investment Fund #1 and Investment Fund #2 in two marine-related businesses by investing JPY 30,000,000 in each business.

INVESTMENT FUND #1



Benners: Responsible production and consumption promotion by utilizing 'unused fish' and creating fish meal kit subscription service

In Japan, where the consumer satisfaction is set to a high standard, products in the market undergo strict screenings to ensure that the products are not only of high quality, but look visually pleasing and also uniform in size. This troubles many food-related industries, including marine, that are left with many non-standard products needing to be discarded and becoming a food waste problem.

Benners Co., Ltd. ("Benners") is a Japanese company that raises to the challenge presented above by purchasing, processing, and selling "unused fish" that are treated as non-standard for reasons such as uneven size, hard to process, not known for its taste, or with unpredictable catch and supply consistency.

Aside from the unused fish, Benners has also succeeded in commercializing meal kits of predatory fish that cause coastal denudation, such as brassy chub and mottled spinefoot.



The JPY 30,000,000 fund investments is intended to cover **fish purchasing costs and advertising expenses** for the nationwide expansion of the "Fishlle" fish meal kit subscription service.

Benners' efforts to solve the problem of predatory fish, which previously could only be exterminated at an exorbitant cost, are highly lauded in terms of revitalizing fishing villages in Japan as well as preserving seaweed beds across the country, which is also a precious marine resource.

It is hoped that the JPY 30,000,000 corporate investment funds raised will accelerate the nationwide expansion of this Benners model. The revenue-share return will be calculated based on the sales of the "Fishlle" fish meal kit subscription business.



ねえ、今日は、どんなお魚？

フィッシュル!

FISHLLE!

INVESTMENT FUND #1 RESULT

Sales increase, unused fish production area expansion, business expansion

Benners have been diligently and strategically utilizing the funds raised through the Blue Fund, and achieved remarkable growth as a result. With the invested JPY 30,000,000 Benners realized three major feats:

1. Sales increase of 1.5-fold from personnel recruitment and advertising as well as promotional efforts and advertisements since December 2023
2. Production expansion to 10 areas around the country, including the pioneering factory in Fukuoka City
3. New business line: seafood bowl specialty restaurant in Kyoto

In the future, Benners plans to continue to make effective use of unused fish from all over the country, with Fishlle and Genkaidon as the two main businesses.



The seafood bowl specialty restaurant called "Genkai-don" in Kyoto is currently progressing very smoothly

INVESTMENT FUND #2

REMARE is rethinking about ocean plastic pollution in a revolutionary way to create a sustainable and impactful business



Marine plastic is an important issue to address in the global marine conservation effort. Currently, most collected marine plastic is incinerated at an exorbitant cost, or recycled into trinkets of small significance, such as accessories or stationery. REMARE, however, decided to change the game by purchasing the plastic waste and treating it as a valuable resource. In principle, the bought plastic waste will be utilized to create plywood-sized boards, which then will be sold as in-store fixtures and furnitures to B2B customers such as apparel brands.

REMARE

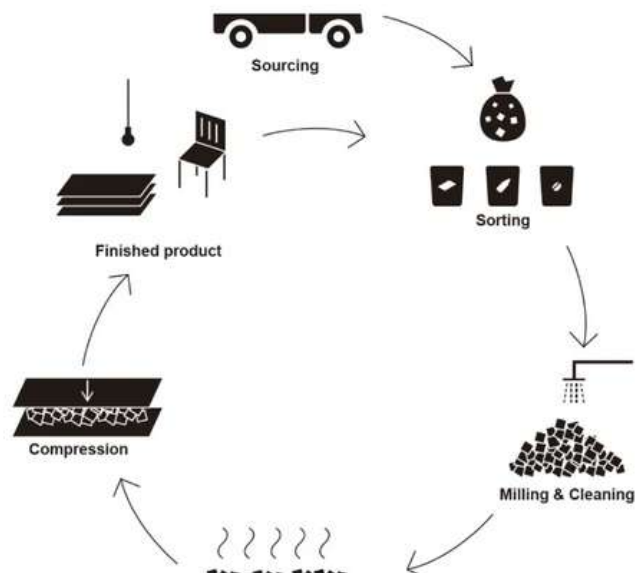
This company is tackling the marine plastic problem as a business through economic rationality, proclaiming that its efforts can be evaluated as having the potential to expand to fishing villages across the country that cannot afford the costs of marine plastic disposal, and it is hoped that the fundraising will accelerate the nationwide expansion of marine plastic collection and recycling.

The new business line will collect plastic waste, mainly fishing gear, process it into up-cycled materials (polyethylene and nylon), and sell them to manufacturers. The revenue-share return, however, will be based on the entire business' sales, including the existing ones to ensure the return for the corporate investor.

REMARE Co., Ltd. ("REMARE") is a company that manufactures and sells products made from plastic waste. REMARE have developed a unique generator that can manufacture products from even small amounts of plastic with various materials. Currently, REMARE's main business is processing plastic waste into boards and selling them to spatial design companies and such (composite material recycling service, etc).



"Small accessories and stationery will eventually become garbage again, so by turning it into boards, marine plastic can be stored in space and recycled again and again when it is no longer needed."



The fund's investment of JPY 30,000,000 is designed to be used to purchase processing equipment for a new venture.

INVESTMENT FUND #2 RESULT

CO2 reduction and contribution to Japanese fishermen through site expansion



The fund investment is designed towards sustainable marine plastic recycling project. Until recently, REMARE has made significant impacts:

- 1. 300 tons of CO2/kwh reduction from marine plastic purchase**
With REMARE buying 20 times (100 tons) more of marine plastic compared to the previous year, it has successfully avoided creating CO2 as much as 300 tons, which would have been created by normal incineration route.
- 2. JPY 7,000,000 reduction of waste disposal cost for local fishermen**
REMARE successfully expanded the collection site to 300 meters and as a result, collected 50 tons of fishing gear to be recycled. This eliminated the cost incurred to fishermen, who would have had to pay 7 million yen (JPY 140/kg) in discarding those fishing gears alone.

REMARE is steadily making progress to carry initiatives related to the plastic recycling, despite having not been installing the equipment yet. The progress above will surely amplify once REMARE implements the measure of equipment installations.

CLOSING REMARKS

In May 2022, we became the first Japanese organization to join the Sustainable Blue Economy Finance Initiative ("Blue Finance Initiative") of the United Nations Environment Programme Finance Initiative (UNEP FI).

When launching the Blue Fund, we began by formulating our own investment criteria in accordance with the Blue Finance Principles. We placed emphasis not only on economic returns but also on social returns, aiming to contribute to the achievement of SDGs, including "Goal 14: Protect, sustainably operate and sustainably using marine resources."

Two years have passed since then, and we are very pleased to have met a corporate investor who sympathized with our fund and invested in two excellent companies that are leading the blue economy. However, there are other businesses around us that are worthy of investment from the Blue Fund, and our plan is to provide more funding to more businesses.

In the future, in addition to finding new investors, we will work closely with these two investee companies to maximize the impact of their business, creating a model case for promoting the blue economy in Japan and working even harder to popularize and expand the Blue Fund.

Fisherman Japan & Music Securities