

JAFCO ASIA'S NEW US\$178 MILLION ASIA TECHNOLOGY FUND TO SNIFF OUT 'POCKETS OF OPPORTUNITIES

- Japanese investors seek synergies with entrepreneurial partners

Singapore, 26 March, 2001 – JAFCO Investment (Asia Pacific) Ltd (JAFCO Asia) has announced a new fund to back technology companies with unique and innovative business models with high growth potential.

The new US\$178 million fund, called the JAFCO Asia Technology Fund, will continue the company's focus in technology businesses. "Despite the meltdown, our investment strategy has not changed. We will continue to invest in businesses with sound fundamentals," announced JAFCO Asia director & executive vice president, Mr Bradley Chew. "JAFCO Asia's view on the development and growth of technology in Asia is over the long term. There has never been a better time to seek out pockets of opportunities to invest in promising companies at reasonable valuations."

Several large Japanese corporations contributed to the Fund. They include: Daiwa Bank, Hitachi, ITX Corp (the software division of Nissho Iwai), Itochu Corp, Kanematsu Electronics, and Nomura Research International.

"Our Japanese investors retain a positive outlook in Asia. The appetite for investment has not diminished. Beyond just profit, they are also looking for synergies with our investees," said Mr Chew. "Some of the additional synergies investors and investees can enjoy are broadening of their customer bases, technology collaboration, and possible joint-venture spin-offs."

The JAFCO Asia Technology Fund will focus in these six key technology sectors: Life Sciences, Telecommunication, Software, Peripherals, Semiconductors as well as E-commerce. JAFCO Asia is increasingly assessing opportunities where funding is required in the early stages of a company, but will also consider financing middle stage opportunities.

Half the funds will be allocated to North Asia (excluding Japan), for example, China, Korea, and Taiwan. Of the half allocated to South Asia (including Australia and Israel), Singapore is expected to take up a significant portion.

"A lot of investment opportunities in technology businesses continue to arise in Singapore," says Mr Francis Leung, senior vice president & general manager of investments in Singapore. "These businesses have a very bright outlook because of the strong support by the government and the conducive operating environment. Most of them have plans to penetrate into Japan given its huge potential. Our well-established infrastructure in Japan enables JAFCO Asia to be their preferred gateway to this enormous but challenging market."

About JAFCO Asia

JAFCO Investment (Asia Pacific) Ltd., formerly Nomura/JAFCO Investment (Asia) Ltd., is a venture capital firm investing in established, well-managed companies and promising young enterprises with high-growth potential in the Asia Pacific region. The company has invested in a wide range of industries ranging from manufacturing, infrastructure, telecommunications, biomedical, information technology and others.

First incorporated in Singapore in March 1990 as a joint venture between JAFCO Co., Ltd. and The Nomura Securities Co., Ltd., JAFCO Asia became a wholly-owned subsidiary of JAFCO Co., Ltd, on 31 March 1999.

JAFCO Asia offers in-depth local knowledge in the region, with offices in eight countries: Hong Kong, Taiwan, The Philippines, Thailand, Malaysia, Singapore, Indonesia and Australia. The company currently manages six private equity funds of about US\$650 million. Its track record of investments in over 230 companies and over 110 exits, of which 62 have reached the initial public offering (IPO) stage, makes JAFCO Asia a pre-eminent venture capital firm in the region.

JAFCO Co., Ltd., listed on the Tokyo Stock Exchange, is the largest venture capital company in Japan, with US\$2.4 billion in committed capital in Asia, North America and Europe. The U.S. subsidiary, JAFCO America, has offices in Silicon Valley and Boston, and is recognised as a leading VC in America. It has been ranked a top five VC in the US by Forbes magazine.

Nomura Securities, the co-founding joint-venture partner, is Japan's largest securities house with over 61 offices, subsidiaries and affiliates in 26 countries. Today, JAFCO Asia remains an integral part of the Nomura Group network.

Globally, the group has more than 1,500 portfolio companies, of which more than 500 have been listed. This represents a vast wealth of knowledge and experience that is available to JAFCO Asia's entrepreneurial partners.

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