

Nomura and JaSFA to Form Investment Business Limited Partnership to Invest in Search Funds

Tokyo, February 24, 2021—Nomura Holdings, Inc. (“Nomura”) and Japan Search Fund Accelerator (“JaSFA”) today announced that they have signed a memorandum of understanding to form an investment business limited partnership that will invest in search funds, as well as jointly conducting business operations.

According to Search Fund Primer published by Stanford GSB in 2020, a search fund is a “new investment vehicle” which allows “aspiring entrepreneurs the opportunity to search for, acquire, manage, and grow a company.” The model was pioneered in the United States in 1984 and more than 300 first-time search funds were identified by 2018. In Japan, there is rising interest in search funds as a new entrepreneurship model for young business professionals who aspire to be business owners.

Japan has a growing number of aging small and medium-sized business owners. According to the Ministry of Economy, Trade and Industry (METI), more than half of SMEs with aging owners have no potential successors. To encourage succession by third parties, METI created the “Comprehensive Package of Measures for Supporting SMEs in Business Succession to Third Parties.” This initiative aims to ensure that profitable SMEs faced with the possibility of business closure find good successors, and that resources such as technologies and employment are passed on to the next generation.

Nomura offers a wide range of financial services including corporate M&A advisory services, financing and investment management to meet the business succession needs of clients across Japan. JaSFA has a solid track record in business succession leveraging the search fund model. The company connects searchers with investors and business owners and supports companies in enhancing their corporate value.

By partnering together, Nomura and JaSFA aim to offer the option of third party succession to corporates facing business succession challenges and provide entrepreneurship opportunities for the next generation of talented young people. The two companies will help clients raise their corporate value in order to contribute to the sustainable growth of regional economies.

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About Nomura

Nomura is a global financial services group with an integrated network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its four business divisions: Retail, Asset Management, Wholesale (Global Markets and Investment Banking), and Merchant Banking. Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com.

About Japan Search Fund Accelerator (JaSFA)

JaSFA is a company founded by a Stanford GSB alum in 2018 to provide support, network, and investment for first-time searchers in Japan. The firm started and co-operates the first fund of search funds in Japan and has invested on multiple searchers and companies. For further information about JaSFA, please reach out to info@japan-sfa.com.