IGNIS

October 26, 2018
Company name: IGNIS LTD.
Representative: Representative Director CEO Qian Kun
(TSE Mothers Code: 3689)
Contact: Director CFO Akihiko Yamamoto
+81-3- 6408-6820

Establishment of a joint venture
between subsidiary Pulse Inc. and Just Production Inc.

At the board of directors meeting held on October 26, 2018, IGNIS LTD. resolved to establish a joint venture between the subsidiary Pulse Inc. (Headquarters: Shibuya-ku, Tokyo; CEO: Qian Kun; hereinafter “Pulse”) and Just Production Inc. (Headquarters: Minato-ku, Tokyo; CEO: Sadahiro Terai; hereinafter "Just Production"). Details are as follows.

1. Reasons for establishment of joint venture
With a mission of "Creating new standards, over and over again", IGNIS is currently working to achieve continuous earnings growth and increase corporate value through multifaceted business development. In this environment, we are focusing on cutting-edge virtual reality (VR) technology and focusing on the VR business at our subsidiary Pulse. Pulse involves the development of Virtual Live Platform "INSPIX (hereinafter "INSPIX") to realize unprecedented entertainment utilizing VR technology, and the creation of intellectual property (IP) such as virtual entertainer, which develops performance on that platform. We believe that in order to expand this INSPIX, we need powerful performers. In light of this situation, Miracle Pro Inc. will be established with the aim of creating and producing attractive virtual entertainers by combining the expertise of Just Pro in the management of entertainer production and content production licenses with Pulse's technical capabilities in VR content production.

2. Outline of the joint venture

Company name	Miracle Pro Inc
Head office	Taito-ku, Tokyo
Representative	Haruyasu Takahira
Business details	Management, planning and produce of virtual entertainer
Capital	10,000,000 yen
Founded	Mid-November 2018 (planned)
Fiscal year end	September
Shareholder	Just Production (50%), Pulse (50%)

3. Outline of joint investors

Company name	Just Production Inc.	
Head office	Minato-ku, Tokyo	
Representative	Sadahiro Terai	
Business details	Entertainer production, event sales and advertising Animation production and license management	
Capital	10,000,000 yen	
Founded	April 11, 2012	
Relationship	Capital relationship	None applicable
	Personnel relationship	None applicable
	Business relationship	None applicable
	Status of related party	None applicable
URL	http://www.just-pro.jp/	

4. Outline of Pulse Inc.

Company name	Pulse Inc.	
Head office	Shibuya-ku, Tokyo	
Representative	Qian Kun	
Business details	Planning, development, and operation of VR content	
Capital	¥1,050,000	
Shareholder	IGNIS LTD., Yasushi Akimoto, Yutaka Matsuo, DaiGo, etc.	
Founded	November 4, 2016	
Relationship	Capital relationship	Pulse is a consolidated subsidiary, as IGNIS holds more than 50% of its shares
	Personnel relationship	CEO of IGNIS concurrently serves as CEO of the company.
	Business relationship	IGNIS provides management guidance to the company and have business relationships.
	Status of related party	CEO of IGNIS concurrently serves as CEO of the company, and, the company is IGNIS's consolidated subsidiary.
URL	https://pulse227.com/	

5. Future development

Miracle Pro will create and produce new IP (virtual entertainer, etc.) that will play an active role in the Virtual Live Platform "INSPIX" of Pulse.

As for the creation of IP by Miracle Pro, the project is based on "3rd shot Project B" as the VR IP creation project which was announced on page 21 of the "Q3 FY09/18 Financial Results Briefing Materials" released on August 10, 2018.

We are currently coordinating the details of the IP creation project.

At this time, we plan to create new IP instead of using existing IP, and we plan to develop this new genre as a female character. Please wait for further information on the timing of provision and other details.

6. Schedule

Date of resolution of the board of directors	October 26, 2018
Date of the joint venture agreement with Pulse	Early November 2018 (planned)
Date of establishment of joint venture	Mid-November 2018 (planned)

7. Future Outlook

The establishment of this joint venture will not have any impact on the consolidated results for the fiscal year ended September 2018, but we believe it will contribute to the improvement of the group's business results in the medium to long term. In addition, the impact on the consolidated financial results for the fiscal year ending September 2019 is expected to be incorporated in the consolidated business forecasts to be disclosed in November 2018.