

This is an excerpt translation of the Japanese original for convenience only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Corporate Governance Policy

Chapter I General Provisions

1. Mission and Strategy

(1) JAFCO's Mission

“Commit to new business creation and jointly shape the future.”

Since the establishment, JAFCO Group Co., Ltd. (“JAFCO” or the “Company”) has created various innovative products/ services with entrepreneurs. The Company’s mission is to open a new era with its stakeholders by committing to creating new businesses needed in the society.

(2) Policy and Strategy for Achieving JAFCO's Mission

The Company aims to achieve its mission by making venture/ buyout investment through funds. To better clarify its commitment to entrepreneurs embarking on new businesses and fund investors mainly consisting of institutional investors, the Company has introduced the individual-oriented partnership model to add to its competitiveness underpinned by its organizational strength accumulated since inception.

In realizing its mission, the following strategies will also be implemented.

i. Highly selective, intensive investment and management involvement

To create new businesses, the Company will narrow down investment targets and make bold investments in companies with high growth potential. It acquires influential stakes in its portfolio companies and accelerate their growth through deep management involvement.

ii. Sustain improvement in fund performance

To secure sufficient investment capital, it is vital to achieve sustainable improvement in fund performance and raise funds from outside investors. The Company also invests its own capital in funds and shares gains with fund investors. It will build high-quality portfolios through highly selective, intensive investment and management involvement to achieve sustainable improvement in fund performance.

iii. JAFCO as “Co-Founder”

During the startup phase of a portfolio company, the Company is required to be a “Co-Founder” rather than an investor. It aims to become an organization where each employee and the Company as a whole can play an active role as a “Co-Founder” by passing on and developing its spirit, expertise and experience that it has built up since establishment.

2. Basic Corporate Governance Policies

With an eye to increasing corporate value over the medium to long term, the Company has established the following basic policies on corporate governance and will make continuous efforts for its enhancement:

- Build respectful relationships with stakeholders;
- Maintain transparency and fairness in decision making;
- Establish an appropriate supervising structure;
- Establish an operating structure that ensures effective and swift business execution.

Chapter II Relationships with Stakeholders

1. Shareholders

(1) Securing the Rights and Equal Treatment of Shareholders

- The Company treats all shareholders equally relative to the number of shares owned. The Company takes fair measures to fully secure shareholder rights and ensure appropriate exercise of voting rights in accordance with laws and regulations.
- The Company discloses information appropriately on a timely basis to avoid information disparity.
- The Company prepares English translations of the notice of convocation of the General Meeting of Shareholders and other major disclosure materials.

(2) General Meeting of Shareholders

The Company secures an environment that enables shareholders to exercise their rights appropriately and have constructive dialogue with the Company at the General Meeting of Shareholder based on the following policies:

- Provide accurate information to shareholders, including detailed agenda items given in the convocation notice, in order to facilitate their decision-making process;
- Avoid holding the General Meeting of Shareholders on so-called “date of highest concentration of general meetings”;
- Send the convocation notice as early as possible to give shareholders sufficient time to examine the agenda (in principle at least three weeks before the date of the meeting). The Company also discloses the notice on the websites of the Tokyo Stock Exchange and the Company prior to the dispatch.
- Enhance shareholders’ convenience in exercising voting rights through electronic voting via the Internet or the use of the Electronic Voting Platform.

(3) Basic Strategy for Capital Policy

- In venture/ buyout investment, the holding period to exit is usually very long. Depending on the business environment, achieving planned exit for each investment may remain difficult for some time. Taking this nature into account, the Company’s basic policy is to make investments within the scope of its shareholders’ equity.
- In principle, the Company makes investments through funds that it manages. Returns from such funds are preferentially allocated to commitments to new funds. The Company believes that repeating a cycle of making capital commitments, increasing investment values and reaping returns from funds allows it to further enhance corporate value.
- The Company will ensure a good balance between continuous shareholder returns and enhancing shareholders’ equity, which is necessary for a long lasting investment business. To demonstrate its positive approach, the Company has set an indicator to pay dividends of approximately 3% of shareholders’ equity (initial and term-end average value).
- The Board of Directors makes decisions on capital policy that may result in a change of control, etc. after due discussion on the necessity and rationale, while paying careful attention to the conflict of interest with existing shareholders. The Company shall provide sufficient explanation to shareholders about the capital policy and ensure appropriate

procedures in compliance with laws and regulations.

(4) Cross-Shareholdings

- The Company will not acquire additional cross-holding shares in other listed companies, except in the following cases:
 - (i) When it determines that the holding would be beneficial in maintaining and strengthening a cooperative business relationship with the counterparty;
 - (ii) When it determines that the value of the shares would be financially beneficial for the Company.
- The Board of Directors regularly examines the appropriateness of existing cross-shareholdings. When it determines that the continuous shareholding lacks rationale after reviewing the risks and returns from a medium- to long-term perspective as well as the objectives given above, the Company will make efforts to sell such stock to the extent possible.
- When executing voting rights regarding cross-shareholdings, the Company decides whether to vote for or against the proposal by taking into account the counterparty's situation and after discussing whether or not the proposal would contribute to higher corporate value of the counterparty over the medium to long term.

(5) Anti-Takeover Measures

- The Company does not introduce any anti-takeover measures.
- In the case of a tender offer made to the Company, the Board of Directors will announce its opinion after carefully examining the purpose and details of the offer. The Board of Directors proposes appropriate countermeasures only when it is deemed necessary to maintain and boost the Company's corporate value. It will ensure that the proposal does not impair shareholders' rights to apply to the offer.

(6) Related Party Transactions

- The Company shall engage in transactions with its executive members only with the prior approval of the Board of Directors (and the Board-Audit Committee if applicable) and in accordance with laws and regulations.
- The Company shall engage in transactions with affiliated firms or major shareholders (including their subsidiaries) on fair terms and conditions with due consideration to market quotations, etc. The Board of Directors, representative directors or other applicable corporate bodies will evaluate and approve such transactions based on the detail and amount.

(7) Policy for Constructive Dialogue with Shareholders

The Company has set a policy for constructive dialogue with shareholders as shown in Exhibit 1.

2. Employees

(1) Code of Conduct

The Company has set the "Code of Conduct" for JAFCO and its members as shown in Exhibit 2.

(2) Workstyle

As "Co-Founder" of cutting-edge startups, the Company aims to be an advanced role model in terms of organization and workstyle. It will continue with its reform efforts in order for each employee to experience growth and fulfillment.

(3) Diversity

- The Company recognizes and respects diverse perspectives and values of employees,

irrespective of gender, nationality, age, etc.

- As outstanding management issues of portfolio companies diversify, employees of the Company are required to have a higher level of expertise. The Company aims to diversify human resources through mid-career recruitment from other sectors and cooperation with outside experts, in addition to new graduate recruitment and OJT career development which have been underway since inception.
- The Company provides employees with opportunities and support to broaden experience and acquire expertise to allow them to enhance their professional skills. In the same perspective, the Company encourages its employees to have side businesses.

(4) Whistleblowing

- The Company implements and operates the JAFCO hotline as a means for its members to directly report to the Company any conduct that is in violation of, or risks violating, laws and regulations.
- The JAFCO hotline contacts include an independent director (a member of the Board-Audit Committee) in addition to the compliance officer and other internal contacts.

3. Fund Investors

- The fund investors are customers and business partners of the Company. The Company makes every effort to improve fund performance and maximize the value of assets under management entrusted by the investors. It provides support for the growth of portfolio companies by cooperating with the investors under the common goal of improving fund performance.
- The Company provides periodic management reports to the investors to ensure management transparency.
- The Company makes every effort to avoid conflicts of interest in the course of managing funds. In case of a possible conflict of interest, appropriate measures will be taken with due consideration to fairness.

4. Portfolio Companies

- The Company creates new businesses with portfolio companies. It commits necessary funds and other resources to make the businesses successful.
- The Company shall engage in the businesses of its portfolio companies, not only as an investor, but as their “Co-Founder”.

5. Society

Through venture/ buyout investments, the Company supports the launch and growth of businesses needed in the society. As a result, it introduces to the society innovative technologies that address social issues and new services that enrich people’s lives. Success and growth of its portfolio companies also allow creation of new employment opportunities. The Company thereby contributes to realization of a sustainable, better society and development of the Japanese venture ecosystem.

Chapter III Appropriate Information Disclosure

1. Full Disclosure

(1) Statutory Disclosure

The Company shall make timely and appropriate disclosures of information that is beneficial to users. The disclosure shall be in compliance with laws and regulations, including the Companies Act, Financial Instruments and Exchange Act, and Timely Disclosure Rule of the Tokyo Stock Exchange.

(2) Voluntary Disclosure

In addition to (1) above, the Company shall actively provide information that is deemed important or helpful to understand the Company (except for personal information, customer information and information that may violate the rights of others). The Company shall also ensure fair disclosure of information.

Chapter IV Corporate Governance System

1. Organizational Structure

- The Company has adopted the “company with board-audit committee” structure for its corporate governance system and formed the Board-Audit Committee, the majority of which are independent directors.
- Within the Board of Directors, the Directors serving as Board-Audit Committee members who have voting rights shall audit and supervise business execution from an independent and objective standpoint. This thereby improves effective supervisory function of the Board of Directors.

2. Roles and Responsibilities of the Board of Directors

(1) Roles of the Board and Delegation to Management

- With due attention to its responsibilities to shareholders, the Board of Directors makes important management decisions and supervises the execution of business with the aim of achieving sustainable growth and enhancing corporate value.
- The Board of Directors holds a regular monthly meeting, in principle, and an extraordinary meeting as necessary.
- Matters to be discussed at the Board of Directors meetings are set out in the Regulations on the Board of Directors. The Company’s basic policy is that the Board of Directors, including independent directors, makes decisions on important operational issues based on thorough discussions. Therefore, the Company has no provision in the Articles of Incorporation that delegates decisions on important operational matters to directors.
- The Investment Committee composed of the President and partners has an authority to make investment decisions to allow quick decision-making. In the situation where a conflict of interest with JAFCO-managed funds may arise, such as in the case of investing its own capital, not only the Investment Committee but also the Board of Directors examine the case and make decisions.
- The decision-making authority on certain matters is delegated to the representative directors or executive members/ partners in charge, depending on the content and degree of importance, based on the Rules on Document Approval.

(2) CEO Succession Planning

- The Board of Directors decides the succession plan for the President position based on discussions by the Nomination and Remuneration Committee composed of all Board-Audit Committee members and the President.

- Members of the Company build corporate management experience by getting involved in the management of portfolio companies with a “Co-founder” mindset. Corporate officers, partners and other key employees share the Company’s management issues through participation in important internal meetings and join efforts to resolve these issues. The Company also provides managerial personnel development training for selected employees.
- (3) Executive Member/ Partner Remuneration
- The Board of Directors decides the remuneration of directors (excluding directors serving as Board-Audit Committee members), corporate officers and partners based on deliberations at the Nomination and Remuneration Committee. The decision on remuneration adequately reflects evaluation of the Company’s performance, fund performance, and the degree of individual contribution.
 - The remuneration of directors (excluding directors serving as Board-Audit Committee members) and corporate officers comprises a basic salary and an extraordinary compensation. Part of the basic salary corresponds to the Company’s ordinary income and other business performance, while the extraordinary compensation additionally takes into account fund performance.
 - The Board-Audit Committee expresses its opinion on directors’ remuneration at the General Meeting of Shareholders when it deems it necessary.
 - Partners invest individually in JAFCO-managed funds and receive a return pro rata to their respective interests. They are also entitled to an allocation of success fees based on the funds’ investment performance.
 - The Company considers, as necessary, stock-related compensations in relation to medium- to long-term interests of shareholders.
- (4) Executive Member/ Partner Appointment and Board of Directors Composition
- Directors, including CEO, and corporate officers are appointed by the Board of Directors based on deliberations by the Nomination and Remuneration Committee.
 - All directors (excluding directors serving as Board-Audit Committee members) are subject to election/re-election every year at the General Meeting of Shareholders. The Board-Audit Committee expresses its opinion on directors’ election/ dismissal at the General Meeting of Shareholders when it deems it necessary.
 - The Company shall select director candidates who have business skills, insight, experience, and expertise to serve as a director to allow the Board of Directors to fully exercise its operational and supervisory functions. The Company proactively selects suitable candidates from diverse background regardless of gender and nationality.
 - The Company shall select independent director candidates who have abundant experience and deep insight into corporate management or specialist fields, and can be expected to fulfill the roles and responsibilities of an independent director. The selection is in accordance with the Company’s “Standards for Independence of Independent Directors.”
 - In a case where a director has caused the Company to incur a tremendous loss or operational problems by committing a wrongful act, or violating laws, regulations, the Articles of Incorporation or the Company’s internal rules, or has become difficult to execute duties by other reasons, such director shall be subject to dismissal proposal.
 - A Partner is nominated with consensus of all partners and appointed upon the approval of the Board of Directors based on deliberations by the Nomination and Remuneration Committee.
 - The Board of Directors maintains the composition and size that enable it to fully demonstrate its effectiveness in term of the Company’s scale and business.
 - The Company discloses major concurrent positions of directors in the notice of convocation

of Annual General Meeting of Shareholders every year.

(5) Establishment of Internal Control and Risk Management Systems

- The Board of Directors sets the basic policy for the establishment of internal control system and supervises its implementation and operation.
- Important matters for timely disclosure require approval of the Board of Directors.
- The Company ensures compliance with laws and regulations through the appointment of compliance officer by the President and establishment of a compliance department.

3. Roles and Responsibilities of the Board-Audit Committee

- The Board-Audit Committee utilizes the internal control system to audit and supervise the business execution of directors. Independent directors shall comprise at least a majority of the Board-Audit Committee members.
- In addition to the Board of Directors meeting, the Board-Audit Committee members attend the Investment Committee and other important internal meetings on an as-needed basis and give their opinions if necessary.
- In regular meetings with representative directors, including the Nomination and Remuneration Committee meetings, members of the Board-Audit Committee exchange views, make requests if necessary, and develop greater mutual understanding.

4. Fiduciary Responsibilities

Directors and corporate officers fulfill their fiduciary responsibilities to shareholders based on the recognition that the continuous improvement of fund performance leads to an increase in the Company's corporate value.

5. Independent Directors

As members of the Board of Directors and/or the Board-Audit Committee, independent directors monitor and supervise the execution of business by directors from an independent and objective perspective.

(1) Roles and Responsibilities of Independent Directors

Independent directors take part in important management decision-making by utilizing their respective experience and insight in enhancing the Company's corporate value over the medium to long term. They also supervise business execution and conflict of interest from an independent standpoint and provide advice to the management by reflecting views of stakeholders, including shareholders, fund investors and portfolio companies.

(2) Number of Independent Directors

Independent directors comprise at least a majority of the Board of Directors, in principle, to further enhance effective corporate governance. The Company will make continuous efforts to identify suitable candidates for independent directors.

(3) Independence Standards

The Board of Directors has established the "Standards for Independence of Independent Directors" as shown in the Exhibit 3 in reference to the independence criteria set out by the Tokyo Stock Exchange. The Standards have been disclosed in the Company's Corporate Governance Report and the notice of convocation of the Annual General Meeting of Shareholders.

6. External Auditor

- The Board-Audit Committee re-evaluates the appointment of its external auditor every year based on the “Policy on how to determine dismissal or non-reappointment of the external auditor”.
- In considering appointment or re-appointment, the Board-Audit Committee shall obtain necessary materials or reports from directors/ officers and the auditor, and review the expertise and independence of the external auditor based on the following points:
 - (i) The status of the execution of duties, the background and track record of audit members in charge, and the composition of the audit team;
 - (ii) Adequacy of remuneration
 - (iii) Record of other transactions with the external auditor, and their details if any.
- The Board of Directors and the Board-Audit Committee shall:
 - (i) in consultation with the external auditor, give adequate and reasonable time to ensure high quality audits.
 - (ii) in consultation with the external auditor, arrange meetings to exchange views with the senior management of the Company.
 - (iii) ensure effective communication among the external auditor, the Board-Audit Committee and the internal audit division by providing opportunities to exchange views regularly.
 - (iv) make efforts to resolve flaws or problems pointed out by the external auditor, if any.

7. Optional Approach (Nomination and Remuneration Committee)

In deciding important matters related to the nomination and remuneration of directors, corporate officers and partners, the Nomination and Remuneration Committee carries out prior deliberations, based on which the Board of Directors carries out discussions and makes final decisions.

8. Board Effectiveness

The Board of Directors analyzes and evaluates its effectiveness every year and discloses the summary of the result.

9. Deliberations of the Board of Directors Meeting

- The year-round schedule and anticipated agenda are notified in advance to directors.
- Materials for board meetings will be distributed in advance, and independent directors will receive an advance briefing on the agenda in principle.
- Deliberation time will be set in accordance with agenda items to ensure necessary and sufficient discussions.

10. Information Gathering and Support Structure

(1) Information Gathering

- Directors, including independent directors, seek information from relevant departments as necessary.
- Independent directors acting as the Board-Audit Committee members exchange and share information at the meeting of the committee.
- The Board-Audit Committee, in principle, shall appoint one full-time member. The

committee shall communicate and coordinate with the management and cooperate with the internal audit division and the external auditor by requesting the management to assign assistant employees, as necessary. Through these measures, it builds a framework to allow cooperation with independent directors serving as the Board-Audit Committee members and retains its information gathering capacity.

- The Board-Audit Committee shall assign one member responsible for obtaining reports from directors and employees and examining the state of operations and assets, including those of the Company's subsidiaries.
- The Board-Audit Committee shall have opportunities to discuss and exchange information and opinions with the external auditor. It reviews audit reports and audit plans and updates itself with outstanding audit issues related to legal amendments, etc.
- The Board-Audit Committee shall assign one member responsible for holding interviews with department heads on a regular basis.
- The representative directors shall exchange opinions with the Board-Audit Committee members on a regular basis.
- Directors and corporate officers ensure opportunities for the Board-Audit Committee members to attend important internal meetings.
- Directors, including independent directors, shall seek advice from outside professionals as necessary.
- Regulations on Audits of the Board-Audit Committee contain a provision requiring the Board-Audit Committee to take appropriate steps in the case of misconduct, including recommending directors to establish an independent committee.

(2) Cooperation with Internal Audit

- The internal audit division reports internal audit results to the President and the Board-Audit Committee.
- The Board-Audit Committee conducts audits based on internal audit results when available.
- Based on discussions with the Board-Audit Committee, the internal audit division conducts internal audits at the request of the committee and reports the result to the committee.

(3) Other Support Structure

- Directors or employees to assist the duties of the Board-Audit Committee will be assigned as necessary, and personnel affairs of assistant employees will be discussed between directors and the Board-Audit Committee.
- The Board-Audit Committee shall have the authority to give directions and orders to its employee assistants in executing their assistant duties.

11. Director Training

- The Company provides and arranges training for directors necessary to fulfill their responsibilities.
- A newly-appointed director will be given training on director responsibilities and corporate governance requirements, and will be provided continuous training on legal revisions, etc..
- An independent director will receive an explanation about the Company's business when assuming office, and will be provided information on management issues etc., as necessary.

Chapter V Others

1. Revisions

This Policy shall be revised by the resolution of the Board of Directors.

Enacted as of September 25, 2015

Amended as of:

March 8, 2017

June 14, 2017

April 20, 2018

November 14, 2018

June 18, 2019

Exhibit 1

**Policy regarding a Structure/ Measures
to Promote Constructive Dialogue with Shareholders**

- The Company holds constructive dialogue with shareholders and other investors through investor relations to enhance its corporate value over the medium to long term.
- The executive member in charge of administration manages investor relations, and the IR team of the administration division carries out investor relation activities based on close cooperation with relevant internal departments.
- The Company holds an information meeting for institutional investors every six months, in which the President gives an explanation of the financial results. The summary and presentation materials of the meeting are disclosed on the Company's website.
- In principle, the director/ executive member in charge of administration shall, to the extent reasonable, attend individual meetings with institutional investors.
- The Company arranges opportunities for the President, etc. to have dialogue with foreign investors during their regular overseas visits for IR purposes.
- The Company will hold meetings with its domestic and foreign institutional shareholders on an ongoing basis to help them deepen their understanding of its management policy and business strategy, and also to better grasp their views on exercising voting rights.
- The Company makes efforts to enhance information disclosure about the Company's management policy, investment activity and financial conditions, as well as investor relations materials, through its website. The Company will work to enhance the content of the convocation notice of the General Meeting of Shareholders to provide accurate information to shareholders. Such information will also be provided in English to the extent possible depending on importance.
- The opinions or suggestions obtained through dialogue with investors will be given as feedback to executive members as necessary, and be reported at the Board of Directors meeting to be utilized for the Company's future management.
- The Company appropriately controls the insider information in accordance with the internal rules to prevent external leaks.

Exhibit 2

Code of Conduct

JAFCO Group Co., Ltd. and its members (hereafter “we”) act in accordance with the following principles to “commit to new business creation and jointly shape the future.”

Co-Founder

We will create and expand new businesses with portfolio companies not only as an investor, but as “Co-Founder” based on trust.

Challenging and Pioneering Spirit

As a pioneer in venture/ buyout investment in Japan, we relish changes, embrace risks, and take on new challenges without being constrained by existing values.

Human Resources and Organization

We aim to maintain a compact business structure consisting of highly skilled professionals who value entrepreneurship and can think and act on their own initiative. To this end, we will make continuous efforts to strengthen our professional expertise and exert our maximum efforts in human resources development.

We focus on swift decision-making and maintain a flat and open organizational structure by eliminating sectionalism.

We encourage mutual respect and information sharing and embrace teamwork and corporate unity.

We will further develop tangible and intangible property, including business philosophy, knowledge and experience, which we have inherited since the start of operation.

Independence

Independent management and professionalism are what we value most as a fund management firm. In any circumstances, we make decisions and pursue better investment performance from an independent perspective.

High Ethical Standards

As a fund management firm, we comply with laws and regulations and their implications, respect social equality, and conduct its business in good faith and with high standards of professional ethics.

We refuse to have any relations with anti-social forces. We ensure strict management of information and never engage in insider trading.

Fiduciary Responsibilities

We are aware of our responsibility and obligations as a fund management firm, and make utmost efforts to fulfill our duties of loyalty and care required of a good manager to fund investors.

We make every effort to avoid conflicts of interest, and should a conflict of interest arise, take appropriate measures with due consideration to fairness.

Work Environment

We ensure mutual respect of personality and individuality in the workplace and never violate human rights through irrational discrimination, harassment, etc. We make efforts to maintain the work-life balance and provide a healthy and pleasant working environment.

Exhibit 3

Standards for Independence of Independent Directors

In order to ensure the independence from JAFCO Group Co., Ltd. (the “Company”), independent directors of the Company shall satisfy the following criteria:

(1) An independent director is not, and has not been in the past ten (10) years, an officer (limited to persons executing business) or employee of the Company or any of its subsidiaries (collectively referred to as the “Company Group”).

(2) An independent director is not, and has not been in the past three (3) years, any of the following:

- 1) A person executing business (*1) of another company at which a person executing business of the Company serves, or has served in the past three (3) years, as a director or officer.
- 2) A major shareholder (a shareholder holding 10% or more of the voting rights directly or indirectly) of the Company or a person executing business of that shareholder.
- 3) A partner at the external auditor of the Company or an employee engaged in auditing of the Company at the same.
- 4) A person executing business of a major lender of the Company (*2).
- 5) A person executing business of a major business partner of the Company Group (*3).
- 6) An expert in a field such as legal matters, accounting or taxation, a consultant or other such person receiving remuneration from the Company Group in excess of ¥10 million per year outside of remuneration for officers.
- 7) A partner or a person executing business of an organization such as a corporation or an association that provides services for legal matters, accounting, taxation or consulting, or other specialist services, where the organization is deemed as a major business partner.
- 8) A person executing business of an organization that receives a donation exceeding a certain amount (*4) from the Company Group.

(3) A person who is a spouse or a relative within the second degree of kinship of, or who shares living expenses with, an independent director is none of the following (excluding persons without importance):

- 1) A person who executes business of the Company Group or has done so in the past three (3) years.
- 2) A person to whom any of the above (2) 1) to 8) applies.

(Notes)

- *1 A person executing business is an executive director, an executive officer (*shikkoyaku*), an administrative officer (*riji*), or other such equivalent manager (limited to persons executing business) or an important employee such as a corporate officer.
- *2 A major lender of the Company is a lender of an amount equivalent to at least 2% of consolidated total assets.
- *3 A major business partner of the Company Group is a business partner whose transactions with the Company Group were equivalent to more than 2% of that business partner’s annual consolidated net sales in its last fiscal year.
- *4 A donation exceeding a certain amount is a donation to an organization exceeding an amount in a year of ¥10 million or 2% of the relevant organization’s total revenue or ordinary income, whichever is the larger.