



August 24, 2023

To whom it may concern

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(Securities code: 8016 Prime Market of Tokyo Stock
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Notice of Dissolution of Capital Alliance

The Company hereby announces the termination of its capital alliance with DAIDOH LIMITED (“DAIDOH”) as follows.

Particulars

1. Reasons for Dissolving the Capital Alliance

The Company and DAIDOH have discussed their future policies in light of the significant changes in the business environment surrounding the industry. As a result, we have decided to terminate our capital alliance with the aim of reducing the number of cross-shareholdings as required under the principles of the Corporate Governance Code.

2. Details of the Dissolution of the Capital Alliance

In response to DAIDOH’s announcement of the “Notice Concerning Acquisition of Own Shares and Share Repurchase through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)” on August 24, 2023, the Company will terminate the capital alliance by tendering all shares held by the Company.

3. Summary of the Counterparty

(1) Trade Name	DAIDOH LIMITED	
(2) Head Office Location	3-1-16 Sotokanda, Chiyoda-ku, Tokyo	
(3) Name and Title of the Representative	Tsukasa Nabewari, Representative Director, President and CEO	
(4) Details of Business	Manufacture and sale of textile products	
(5) Stated Capital	6,891 million yen	
(6) Date of Establishment	October 17, 1949	
(7) Total Number of Issued Shares	35,696,897 shares	
(8) Major Shareholders and Ownership Ratios (As of March 31, 2023)	<p>INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN-UP (Standing proxy: Mizuho Bank, Ltd.) (12.93%)</p> <p>ONWARD HOLDINGS Co., Ltd. (12.76%)</p> <p>SOTOH CO.,LTD. (4.96%)</p> <p>The Master Trust Bank of Japan, Ltd. (Trust account) (4.93%)</p> <p>SMBC Nikko Securities Inc. (2.96%)</p>	
(9) Relationship Between the Company and the Counterparty	Capital Relationship	The Company holds 4,100,000 shares of the counterparty's common stock (12.76% of the total number of issued shares (excluding treasury stock)) and the counterparty holds 2,149,504 shares of the Company's common stock (1.58% of the total number of issued shares (excluding treasury stock)). However, there will be no capital relationship after the dissolution of capital alliance.
	Personnel Relationship	Not applicable.
	Transactional Relationship	Transactions in apparel business
	Status as Related Party	Not applicable.

4. Schedule

Share sale date: August 25, 2023 (planned)

5. Future Outlook

The impact of the dissolution of the capital alliance on the Company's business performance will be minimal. We will promptly disclose any matters that need to be disclosed in the future.