

February 12, 2021

Company Name POLA ORBIS HOLDINGS INC.
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Announcement Regarding Acquisition of Shares in tricot, Inc. (Subsidiary Acquisition)

POLA ORBIS HOLDINGS INC. (the “Company”) hereby announces that it resolved at its Board of Directors’ meeting held on February 12, 2021 to acquire all shares of tricot, Inc. (Headquarters: 1-16-9, Shinjuku, Shinjuku-ku, Tokyo; hereinafter “Tricot”), a company that develops personalized supplements (health food) and skin care products in Japan, to make Tricot a subsidiary (hereinafter the “Acquisition”) and has concluded a share transfer agreement on the same date.

1. Reasons for the acquisition of shares

Tricot is a venture company that develops the “FUJIMI” brand and provides customized skin supplements and face masks that matches each and every user’s skin on a subscription basis. Tricot is a portfolio company within the corporate venture capital business of the Company, and, prior to the Acquisition, we held 1,900 shares (10.56%) of issued shares.

Through our shareholding in Tricot, we have closely monitored its management and marketing activities, as well as the resulting rapid growth of the business (with recent monthly sales of approximately 200 million yen). As a result, we have a high regard for the superiority of its services that are based on the results of the 20 beauty diagnosis questions on its website, its brand and products that accurately capture changing values, its ability to respond quickly to changes, as well as its entrepreneurial spirit, including its high sense of commitment to its goals.

In the course of exchanging opinions with the management of Tricot, we reached a consensus that by becoming a member of POLA ORBIS Group (the “Group”), it could utilize our evidence and R&D technologies, and could expect to create synergies in production and logistics. Accordingly, we agreed that the Acquisition would accelerate the growth of Tricot and we started discussions.

The Company decided upon the Acquisition because it will strengthen the Group’s strategy of “aiming to be a collection of unique brands that respond to diversifying values of beauty,” which in turn will contribute to the enhancement of the Company’s corporate value over the medium to long term.

2. Method of acquisition of shares

Based on the share transfer agreement executed today with the five counterparties described in 4. below (the “Sellers”), the Company will acquire 16,100 shares, or 89.44% of the total number of issued shares of Tricot held by the Sellers, for cash on the date of the share transfer described in 6. below, and make Tricot a subsidiary of the Company.

3. Overview of the subsidiary to be transferred

(1)	Company name	tricot, Inc.		
(2)	Location	1-16-9 Shinjuku, Shinjuku-ku, Tokyo		
(3)	Name and title of the representative	Kana Hanafusa (Maiden name: Kana Fujii), CEO		
(4)	Description of business	Mail-order sales of personalized supplement “FUJIMI” and other		
(5)	Capital	96 million yen		
(6)	Date of foundation	April 24, 2018		
(7)	Major shareholder and shareholding ratio	Kana Hanafusa		59.83%
		XTech 1 Investment Limited Partnership		20.00%
		POLA ORBIS HOLDINGS INC.		10.56%
		Others		9.61%
(8)	Relationship between the listed company and the relevant company	Capital relationship	The Company owns 10.56% of the shares of the relevant company.	
		Personnel relationship	No relationship to be mentioned	
		Transaction relationship	No relationship to be mentioned	
(9)	Operating results and financial position of the relevant company for the preceding three financial years			
	Financial year	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ending March 31, 2021 (Forecast)
	Net assets	22 million yen	14 million yen	—
	Total assets	45 million yen	98 million yen	—
	Net sales	2 million yen	173 million yen	1,350 million yen
	Operating income	(14) million yen	(160) million yen	(350) million yen
	Ordinary income	(14) million yen	(158) million yen	(350) million yen
	Profit attributable to owners of parent	(14) million yen	(158) million yen	(350) million yen

4. Overview of the counterparties to the share acquisition

<Individual>

(1)	Name	Kana Hanafusa (Maiden name: Kana Fujii)
(2)	Address	Not disclosed due to personal nature
(3)	Relationship between the listed company and the relevant individual	No relationship to be mentioned

<Fund>

(1)	Name	XTech 1 Investment Limited Partnership	
(2)	Location	3F, Tokyo Tatemono Yaesu Sakura Street Building, 1-5-20 Yaesu, Chuo-ku, Tokyo	
(3)	Basis for establishment	Investment Limited Partnership under the Limited Partnership Act for Investment	
(4)	Objective of the fund	Venture capital fund to invest in start-up companies	
(5)	Date of establishment	June 28, 2018	
(6)	Total amount of investment	5,202 million yen	
(7)	Outline of operating partnership	Name	XTech 1 Limited Liability Partnership
		Location	3F, Tokyo Tatemono Yaesu Sakura Street Building, 1-5-20 Yaesu, Chuo-ku, Tokyo
		Name and title of the representative	Shinichi Saijyo, General Partner
		Description of business	Management and administration of venture capital fund
		Capital	-
(8)	Relationship between the listed company and the relevant fund	Relationship between the listed company and the relevant fund	No relationship to be mentioned
		Relationship between the listed company and the members of the executive committee	No relationship to be mentioned

<Other>

In addition to acquiring a total of 79.83% of the shares from each of the above shareholders, the Company plans to acquire a total of approximately 9.61% of the shares from three other individual shareholders. There are no matters to be noted regarding the relationship between the listed company and the three individual shareholders concerned.

5. Number of shares to be acquired, acquisition price and status of shares held before and after the acquisition

(1)	Number of shares held before the transfer	1,900 shares (Number of voting rights: 1,900) (Ratio of voting rights held: 10.56%)
(2)	Number of shares to be acquired	16,100 shares (Number of voting rights: 16,100)
(3)	Acquisition price	3,322 million yen *1
(4)	Acquisition-related expenses	10 million yen
(5)	Number of shares held after the acquisition	18,000 shares (Number of voting rights: 18,000) (Ratio of voting rights held: 100%)

*1. The above acquisition price does not include the 1,900 shares (10.56% of voting rights) that the Company already owned prior to the Acquisition.

6. Schedule of the transfer

(1)	Date of the resolution by the Board of Directors and for the conclusion of the share transfer agreement	February 12, 2021
(2)	Date of the transfer of the shares	March to April 2021 (scheduled)

7. Future outlook

The impact of this share transfer on the Company's consolidated performance is currently under close examination. If any necessity for revising the earnings forecast or matters to be disclosed arise, such matters will be promptly disclosed.