

June 29, 2023

Notification of Acquisition of Additional Shares in Subsidiary

Estore Corporation announces that at the Board of Directors meeting, we have resolved to acquire additional shares of SHIFFON Co., Ltd., a consolidated subsidiary.

On August 10, 2022, our company announced that we plan to acquire an additional 119 shares on June 30, 2023 in "(Progress of Disclosure Matters) Notice Regarding Conclusion of Share Transfer Agreement Concerning Acquisition of Shares of SHIFFON Co., Ltd.*1 (Making it into a subsidiary)". In light of the favorable business expansion through initiatives with SHIFFON, we have decided to increase the number of shares to acquire to 179 shares and aim to grow the business based on our stronger relationships. The number of shares of SHIFFON Co., Ltd. held by our company will be 480 shares, and the percentage of voting rights held will increase to 80.00%.

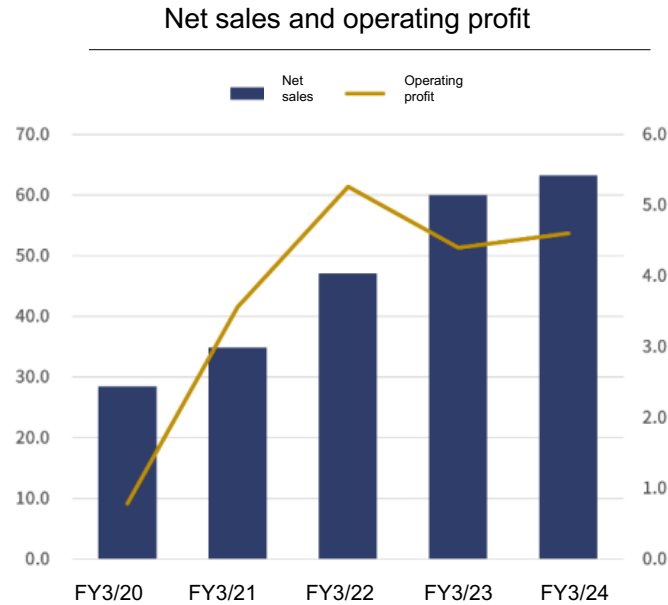
*1: SHIFFON Co., Ltd. changed its Japanese corporate name from "株式会社志風音" to "株式会社 SHIFFON" as of September 1, 2022.

1. Reason for the share acquisition

We have determined that increasing our stake in SHIFFON Co., Ltd. will enhance our commitment to the growth of their business, which in turn will contribute to the growth of our group.

Through this additional acquisition, we expect to gradually improve the contribution to net profit by minimizing the outflow as a minority shareholder, and we also anticipate the potential benefits of enjoying the upside through their future IPO, which SHIFFON aims to achieve.

(Reference) Net sales and operating profit of SHIFFON Co., Ltd.
(Source: FY3/23 Financial Results)



*Figures prior to consolidation are pre-audit reference values

2. Acquisition method

All payments for the acquisition price will be covered by bank loans. We will refinance the loan made for the share acquisition on August 31, 2022 as follows and use it to pay for the share acquisition this time. As a result, 993 million yen will be added to the previous loan of 1,673 million yen, and the total borrowing amount is expected to be 2,666 million yen.

(Outline of borrowings)

(1) Contract amount	Total amount: 2,666 million yen (planned)
(2) Form	Term loan
(3) Use of funds	Stock purchase funds (including refinancing funds)
(4) Final date of repayment	June 30, 2023 (planned)
(5) Arranger	Mizuho Bank, Ltd.
Co-arranger	Sumitomo Mitsui Banking Corporation
(6) Agent	Mizuho Bank, Ltd.
(7) Participant financial institutions	Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd. Sumitomo Mitsui Trust and Banking Corporation, Yokohama Bank, Ltd. and The Chiba Bank, Ltd.

3. Outline of the consolidated subsidiary

(1) Name	SHIFFON Co., Ltd.
(2) Address	1-8-4, Nihonbashi Bakuro-cho, Chuo-ku, Tokyo
(3) Job title/name of representative	Kenta Nishimura, CEO and Representative Director
(4) Business activities	Apparel business (planning, production, import, wholesale, OEM/ODM, retailing)
(5) Capital stock	30 million yen
(6) Date of establishment	June 16, 2004

4. Number of shares acquired, acquisition price, and shareholding before and after acquisition

(1) Number of shares held before the transaction	301 shares (Number of voting rights: 301) (Percentage of voting rights: 50.17%)
(2) Number of shares acquired	179 shares (Number of voting rights: 179)
(3) Acquisition cost	994,345,000 yen
(4) Number of shares held after the transaction	480 shares (Number of voting rights: 480) (Percentage of voting rights: 80.00%)

5. Future outlook

The impact of this acquisition of additional shares in SHIFFON Co., Ltd. on our consolidated performance for the fiscal year ending March 31, 2024 will be immaterial.