



September 25, 2018

J-STAR Co., Ltd.
Gregory Hara
President & Representative Director

A Notice of Business Acquisition of WEGO Co., Ltd.

This is to announce that WG Holdings Co., Ltd. and all its subsidiaries (Head office: Shibuya-Ku, Tokyo, Representative Director: Kyosuke Sonoda, URL: <https://www.wego.jp/>, trade name changed to WEGO Co., Ltd., (WEGO) as on September 25, 2018) have acquired the business of WEGO Co. Ltd. (Head office: Minato-Ku, Tokyo, Representative Director: Hideo Takahashi and trade name changed to WGL Co., Ltd. as on September 25, 2018) and all its subsidiaries (Target Businesses) through a company split. J-STAR No. 3 SS, LP and other funds that receive investment-related services from J-STAR are shareholders of WG Holdings Co., Ltd.

The Target Businesses have developed fashion brands such as PUNYUS, WC, GIORDANO, DAMMY, DING, Denime, BUCCA 44 and others, centered on the WEGO brand, which own high recognition and trend creation capabilities mainly in the age group from teens to twenties. Especially their influences on SNS highly exceed the performance of other competing brands.

Mr. Nakazawa, a special advisor of WEGO, started the Target Businesses as a second-hand clothing store in the 'America Village' of Osaka in 1995. Since exceeding 10 billion yen of annual sales in 2009, the Target Businesses pioneered the information delivering trend on the internet and were the earliest collaborators with reader models and entertainment offices. Today, the Target Businesses have 185 stores nationwide with more than 35 billion yen annual sales.

WEGO is aiming to strengthen the organization and system infrastructure by reorganizing the Target Businesses in a corporate group centered on WEGO. Also, WEGO will work on improving the efficiency of E-Commerce channel. In addition, WEGO plans to enhance the trend creation capabilities by renewing existing stores and revitalizing the overseas business. As a company, we support the further growth of WEGO.



Regarding this investment, we obtained the advice and cooperation from Global Professional Partners Co., Ltd., Nagashima Ohno Tsunematsu Law Firm, KPMG FAS Co., Ltd. and Alestra Partners Co., Ltd.

*J-STAR Co., Ltd. provides investment-related services to, from directly or indirectly through a wholly-owned subsidiary, J-STAR No.3 SS, LP, etc., providing researches about investment opportunities, as well as other investment-related services such as training to portfolio companies.

J-STAR Co., Ltd. (www.j-star.co.jp)

Founded in 2006 as an independent firm, J-STAR is involved in private equity investments and investment support, targeting at corporate value enhancement via acquiring management rights. JSTAR has the following three standards for investment: (1) a superior management team and staff, (2) ample potential for increasing added value through the contributions of fund managers and (3) a uniqueness/superiority of market status and business models. Following these standards, it focuses on companies with a corporate value ranging from 3 billion yen to 10 billion yen. Since its founding, JSTAR invested and provided business supports in more than 49 transactions in various industries such as consumer durables, services, healthcare, media, and manufacturing.