



November 18, 2016

For immediate release

Company name: Daidoh Limited
 Representative: Shin Okawa, President
 (Code 3205 in the First Section of the Tokyo and Nagoya Stock Exchanges)
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 Accounting and Finance
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Acquisition of shares in Italy's Pontetorto S.p.A. and incorporation of the company as a subsidiary

At a meeting of Daidoh Limited's Board of Directors on November 18, 2016, the board resolved to acquire shares in Pontetorto S.p.A. (hereinafter, "Pontetorto"), an Italian company engaged in the manufacture and sales of fabrics for fashion lines and sportswear, and to incorporate the company as a subsidiary. Details regarding this resolution, as well as details relating to the agreements reached with Pontetorto's current shareholders, including Victoria S.p.A., are described below.

1. Reason behind the acquisition of shares

Daidoh Limited has, at its factories for its clothing business, been traditionally concerned primarily with wool as a raw material for use in men's clothing, and with suits and knitwear as its clothing products.

Pontetorto has achieved growth through its entrepreneurship, combining its innovation, creativity, and outstanding technologies with the accumulated traditions of the past. The company manufactures and sells a great diversity of goods, from highly fashionable women's clothing to fleeces and materials for sports and the outdoors that combine both high quality and functionality. Daidoh Limited has decided to acquire a 65% stake in Pontetorto and to incorporate it as a subsidiary, given that Pontetorto has established a strong foundation for sales in both its home country of Italy and other parts of Europe, and has sales experience in Eastern Europe, America, and Asia.

With Pontetorto as a subsidiary, Daidoh Limited will be involved in materials for women's clothing and sportswear, areas in which Pontetorto excels, adding these areas to Daidoh Limited's existing focus on materials and clothing products for menswear. Daidoh Limited expects that this will allow access to more customers, and is hopeful that taking advantage of synergies with Pontetorto customer assets and business know-how will lead to an active expansion overseas in all areas of the company's business related to materials, products, and retail.

Further business expansion, not only in Asia but in Europe as well, is an important priority for Daidoh Limited, which is aiming to achieve even greater growth through its various activities in the aforementioned areas.

In addition, Daidoh Limited plans to acquire the remaining 35% stake in Pontetorto within the next four years, making the company a wholly owned subsidiary.

2. Overview of the subsidiary created by the acquisition (Pontetorto S.p.A.)

(1) Name	Pontetorto S.p.A.	
(2) Location	Prato, Toscana, Italy	
(3) Name and position of representative	Enrico Banci, Chairman	
(4) Business areas	Manufacture and sale of fabrics for fashion lines and sportswear	
(5) Capital	1,559,830 euros	
(6) Date established	1952	
(7) Major shareholders and percentage of ownership	Victoria S.p.A (62.11%)	
(8) Relationship between the company and publicly listed companies	Capital ties	n/a
	Personnel ties	n/a
	Related transactions	n/a

(9) Consolidated operational results and consolidated financial condition of the company over the last three years			(Figures are in thousands of euros, unless otherwise indicated)
Accounting period	Period ended December, 2013	Period ended December, 2014	Period ended December, 2015
Consolidated net assets	7,783	8,917	8,563
Consolidated total assets	26,124	27,469	25,737
Consolidated net assets per share (in euros)	259.43	297.24	285.44
Consolidated sales	54,044	55,654	52,246
Consolidated operating profit	4,801	4,360	3,379
Net income attributable to shareholders	2,783	2,634	2,046
Consolidated net income per share (in euros)	92.77	87.80	68.20

3. Overview of the parties from whom shares are being acquired

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(1) Name	Victoria S.p.A.		
(2) Location	Prato, Toscana, Italy		
(3) Name and position of representative	Enrico Banci, Managing Director		
(4) Business areas	Acquisition and holding of stocks, acquisition and leasing of real estate		
(5) Capital	1,548,000 euros		
(6) Date established	1980		
(7) Net assets	5,360,000 euros		
(8) Total assets	6,860,000 euros		
(9) Major shareholders and percentage of ownership	Enrico Banci (30%), Luigi Banci (30%), Elena Banci (30%)		
(10) Relationship between the company and publicly listed companies	Capital ties	n/a	
	Personnel ties	n/a	
	Related transactions	n/a	

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(1) Name	Enrico Banci
(2) Location	Prato, Toscana, Italy
(3) Relationship between the individual and publicly listed companies	n/a

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(1) Name	Luigi Banci
(2) Location	Prato, Toscana, Italy
(3) Relationship between the individual and publicly listed companies	n/a

4. Number of shares acquired, value of the acquisition, and status of shares held before and after the acquisition

(1) Number of shares held before the acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2) Number of shares to be acquired	19,500 shares (Number of voting rights: 19,500)
(3) Value of the acquisition	Shares of Pontetorto: 19,500,000 euros Fees for advisors, etc. (estimated): 200,000,000 yen Total (estimated): 2,462,000,000 yen

	(Currency conversion rate used for the acquisition: 1 euro to 116 yen)
(4) Number of shares held after the acquisition	19,500 shares (Number of voting rights: 19,500) (Percentage of voting rights held: 65.0%)

5. Schedule

(1) Date of the meeting of the Board of Directors	November 18, 2016
(2) Date of conclusion of the contract	November 18, 2016
(3) Date of transfer of shares	November 21, 2016

6. Future outlook

Daidoh Limited is currently assessing how the acquisition described herein will affect Daidoh Limited's consolidated results for the period ending March 2017. Any matters that require disclosure will be communicated promptly following their discovery.