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For Release

Phronesis Partners Co., Ltd.

## Equity Participation in FLAVA inc.

New Paradigm Fund No.1 Investment Limited Partnership (“the Fund”) is pleased to announce its equity participation in FLAVA inc. (Nishi-ku, Osaka, CEO /Representative Director Mr. Yutaka Fujii). The equity participation will be made through GB1 Co., Ltd. which is fully owned by the Fund. Phronesis Partners Co., Ltd. (“Phronesis”) is providing consulting services to the General Partner of the Fund.

FLAVA founded in 2007, specializes in men’s apparel and sells predominately through E-commerce (“EC”) channels. FLAVA is a pioneer of the EC men’s casual clothing and underwear category in Japan and continues to be among its top performers. FLAVA’s strength is its marketing capabilities which is earning strong support from its customers.

The founder of FLAVA, Mr. Fujii has agreed to the Fund’s equity participation to realize further growth by reinforcing its management infrastructure. Along with Mr. Fujii who will preside as CEO, the Fund will provide managerial and financial support to realize this goal.

Phronesis has had the privilege to work with Smart Capital Inc. as our business due diligence advisor, Minerva Insight LLC as accounting and tax advisor, and Shibata, Suzuki & Nakada as our legal advisor. The Fund has procured leverage financing from Tokyo Star Bank.

About Phronesis Partners Co., Ltd. (<http://phronesis-partners.co.jp/english/index.html>)

Phronesis Partners Co., Ltd. is a Japanese independent private equity firm established in 2013. We focus on small and mid-cap private equity investments specializing in “Growth Buyouts” where we support portfolio companies’ sustainable growth and aim to enhance the business’ value.

“Phronesis” is one of three wisdoms proposed by Aristotle. Different from other two

# φρόνησις

wisdoms, “Episteme – scientific wisdom” and “Techne – technical wisdom”, “Phronesis” means “intelligent virtue”, often translated as “prudence” or “practical wisdom”.

Our experienced team works with management and identifies core strengths as well as challenges of the business and constructs a business strategy that could realize sustainable growth and hence an excellent investment opportunity. We aim to contribute to society through such endeavor.

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