

January 17, 2014

Company name: Renown Incorporated  
Representative: Minoru Kitabatake

Sale of Shares in Subsidiary and Related Forgiveness of Intra-Group Debt

Renown Incorporated (the “Company”) announces that its Board of Directors resolved on January 17, 2014 to approve of sale of the shares of its subsidiary AHJ , and the related forgiveness of the intra-Group financing that it has provided to AHJ for its business development over the past 8 years.

1. Reasons for the Share Transfer and the Forgiveness of the Intra-Group Debt

The primary business of AHJ is the distribution of luxury handbags, leather goods and other accessories in Japan through a network of 28 stores across Japan, operated under a franchise agreement granted by ASHS Limited (“ASHS”).

The franchise agreement between AHJ and ASHS started in 2006 and will expire at the end of February 2014. As a result, the Company has agreed to sell to ASHS at the expiry of the franchise agreement all of the shares of AHJ. ASHS intends to establish a Japanese subsidiary to act as the holding company for the shares. As part of that transaction, the Company will forgive all of the intra-Group debt through which it has financed the development of AHJ’s business over the 8 years that it has operated under the franchise agreement. ASHS intends to commence direct distribution of its products in Japan through AHJ following the transaction.

## 2. Outline of AHJ

(1)Name	AHJ		
(2)Address	6F, TFT East Building 3-6-11 Ariake, Koto-ku, Tokyo		
(3) Representative	Masayoshi Kitada, Representative Director & President		
(4) Business Description	Sale of luxury handbags, leather goods and accessories		
(5) Stated Capital	250 million yen		
(6) Date of Incorporation	February 1st, 2006		
(7) Major Shareholders	100% of shares are held by the Company		
(8) Relationships between Company and AHJ	Capital Relationship	AHJ is the consolidated subsidiary of the Company, which holds 100% of its voting rights.	
	Personnel Relationship	The 3 Directors of AHJ are also the employees of the Company.	
	Business Relationship	The Company provides financing and business support for the development of AHJ's business in Japan.	
	Status of Related Party	AHJ is the consolidated subsidiary of the Company and is a Related Party .	
(9) Financial condition and operating results of last 3 years			
Fiscal Year-end	Feb. 2011	Feb. 2012	Feb. 2013
Net Assets	Δ601million yen	Δ661 million yen	Δ1,021 million yen
Total assets	599 million yen	845 million yen	979 million yen

## 3. Outline of ASHS

(1)Name	ASHS Ltd	
(2)Address	516 Wandsworth Road, Battersea, London SW8 3JX, United Kingdom	
(3) Representative	James McArthur, Chief Executive Officer	
(4) Business Description	Design, manufacture and sale of luxury handbags and accessories	
(5) Stated Capital	£97,224	
(6) Date of Incorporation	December 1996	
(7) Net assets	£11.6 million	
(8) Relationships between the Company and ASHS	Capital Relationship	None
	Personnel Relationship	None
	Business Relationship	Franchise

	Status of Related Party	n/a
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4. Number of Shares before and after the Share Transfer

(1) Date of execution of share transfer agreement	January 17, 2014
(2) Number of Shares before Share Transfer	10,000 shares (100% held by the Company )
(3) Number of Shares	10,000 shares
(4) Transfer Price	690 million yen (estimate)
(5) Number of Shares after Share Transfer	0 shares (the Company will hold no Shares)

5. Schedule

(1) Date of resolution of Board of Directors Meeting	January 17, 2014
(2) Closing Date of Share Transfer	February 28, 2014

6. Outline of the Company's Intra-Group debt

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|--------------------------------------|--|
| (1) Types of Intra-Group debts       | Total financing provided to AHJ for its business development over past 8 years |
| (2) Amount of Intra-Group debt       | Approximately 1.9 billion yen (estimate)                                       |
| (3) Date to forgive Intra-Group debt | Expected to be February 2014.  |

End