

September 16, 2020

SHIMA SEIKI MFG., LTD.

Strategic Partnership with Fast Retailing Co., Ltd.
- Relocation and Expansion of Innovation Factory Co., Ltd. -

This is to inform you as follows that a decision has been made with regard to the strategic development into a new stage through a joint venture with Fast Retailing Co., Ltd. (hereinafter “Fast Retailing”).

1. Background

Innovation Factory Co., Ltd., (hereinafter “Innovation Factory”) functions as the mother factory to manufacture UNIQLO 3D knit collections with WHOLEGARMENT® technology in a joint venture between Shima Seiki Mfg., Ltd., and Fast Retailing in Wakayama.

This project significantly enhances the market recognition of WHOLEGARMENT® products, and the WHOLEGARMENT® flat knitting business has remained steady.

Consequently, the decision was made to relocate Innovation Factory to Tokyo and expand the business to further spread sustainable manufacturing centering on WHOLEGARMENT® technology, which we advocate, and further accelerate the Ariake Project as driven by Fast Retailing, while ownership of the joint venture will change.

2. Overview of Innovation Factory (after the changes)

Name	:	Innovation Factory Co., Ltd.
Location	:	Shinonome, Koto Ward, Tokyo
CEO	:	Tomoya Utsuno
Business	:	Production of 3D Knit and other knitwear
Ownership	:	Fast Retailing Co., Ltd : 51% (now 49%) Shima Seiki Mfg., Ltd : 49% (now 51%)
Time of change	:	December 2020 (scheduled)
Project start	:	Spring 2021 (scheduled)

* WHOLEGARMENT is a seam-free knitted product developed by Shima Seiki Mfg., Ltd. The knitted products are characterized by excellent comfort, wear, and drape properties arising from seam-free construction, high added value, and a wide variety of designs not offered by conventional products. The innovative solution proposed by Shima Seiki can reduce manufacturing lead times and realize appropriate volume production. WHOLEGARMENT is a registered trademark of Shima Seiki Mfg., Ltd.