

[Translation]



September 26, 2024

To whom it may concern:

Company name: Wacoal Holdings Corp.
Representative name: Masaaki Yajima,
Representative Director, President and CEO
(Code No. 3591 TSE Prime Market)
Contact: Katsuya Hirooka,
Corporate Officer,
Head of Corporate Planning Dept.
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Announcement regarding Acquisition of Bravissimo Group Limited (a U.K. company)
through Our U.K. Subsidiary (i.e., change in subsidiaries following acquisition of shares)

We hereby announce that our board of directors resolved at its meeting held today to enter into a share purchase agreement pursuant to which we will acquire through our U.K. subsidiary Wacoal Europe Limited. (Headquartered in Desborough, Northamptonshire, U.K.; Geoff Embley, CEO; hereinafter referred to as "Wacoal Europe") all of the issued and outstanding shares of Bravissimo Group Limited (Headquartered in Tachbrook Park, Warwickshire, U.K.; Leanne Cahill, CEO; hereinafter referred to as "Bravissimo Group"), the company who operates a women's innerwear and swimwear design and sales via directly managed high street retail shops and eCommerce in the U.K.

Details

1. Reason for Share Acquisition

- In line with the Revised Medium-Term Management Plan announced in November 2023, we are working on business model reforms to improve profitability, growth strategies to achieve VISION2030, introducing ROIC management, and promoting asset reduction.
- In the overseas business, we had been repeatedly considering the creation of new business opportunities in order to achieve steady growth in key markets in the U.K., the U.S., and China, and to transform into a highly profitable structure by optimizing the supply chain. In particular in the U.K., we have accordingly been accelerating the strengthening of our EC business and strengthening fitting service opportunities that enable consumers to experience the comfort of, or comfortability to accurately wear products, which are the source of our competitive advantage. At the same time, we are focusing on maintaining and improving our dominant position in the large-size product market, which is growing beyond the average market growth rate.
- The Bravissimo Group, which is the target of this share acquisition, has more than 40% of the sales composition ratio of its own brand "Bravissimo," mainly dealing with large-size products, and has 25 directly managed retail stores in the U.K. that sell Wacoal Europe and other brands' underwear and swimsuit, as well. In addition, it is one of the UK's leading underwear specialty companies that actively utilizes its own EC site and has gained tremendous support from many large-size consumers.
- Bravissimo Group has a reputation for communicating with consumers both offline and online with a focus on fitting. In addition to consulting services provided by experienced salespeople at the stores, its own EC site offers support via phone, email, and live chat, as well as virtual fitting using video calls. Through these careful sales activities, many of the sales are made up of repeat customers who have purchased its products in the past.

- By welcoming the Bravissimo Group as a member of our group, Wacoal Europe, which had mainly been in the wholesale business, we will be able to expand the number of directly managed retail stores that can directly approach consumers. As a result, it will be possible to analyze sales results and consumer information more quickly than ever before, thereby improving operational efficiency in the supply chain. On the contrary, we believe the Bravissimo Group will also be able to make efficient utilize of Wacoal Europe’s wholesale network in order for the brand “Bravissimo” to enter the international market.
- By adding the new Bravissimo brand, we believe it will not only enable Wacoal to establish a dominant position in the large-cup size market, but will also strengthen the position by incorporating both of capabilities for the design, manufacture, and distribution of lingerie and swimwear in the future. From these perspectives, we have decided to make this decision based on the judgment that it will contribute to enhancing the corporate value of our group.

2. Method of Share Acquisition

Wacoal Europe plans to acquire all of the issued and outstanding shares of Bravissimo Group in cash pursuant to the share purchase agreement, the execution of which was resolved at the meeting of board of directors held today. We plan to procure funds for acquisition partly from Wacoal Europe’s and our cash reserves and from borrowings from a few banks.

3. Outline of Subsidiary to Acquire Shares

(1) Trade Name:	Wacoal Europe Limited
(2) Location of Office:	The Corsetry Factory, Rothwell Road, Desborough, Northamptonshire, NN14 2PG U.K.
(3) Name and Title of Representative:	CEO Geoff Embley
(4) Business Description:	Investments in affiliate company, mainly in Europe
(5) Capital Amount:	GBP 175,000
(6) Date of Incorporation:	September 29, 1993
(7) Major Shareholders and Shareholding Ratio	Wacoal Holdings Corp.: 100%

4. Outline of Subsidiary to be Acquired

(1) Trade Name:	Bravissimo Group Limited		
(2) Location of Office:	Bravissimo Hq 1 Athena Drive, Tachbrook Park, Warwickshire, CV34 6RQ U.K.		
(3) Name and Title of Representative:	CEO Leanne Cahill		
(4) Business Description:	Design and sales, via directly managed high street retail shops and eCommerce, of women's innerwear, swimwear and etc.		
(5) Capital Amount:	GBP 49,502		
(6) Date of Incorporation:	July 11, 2017		
(7) Major Shareholders	Founders (2 individuals)		
(8) Relationship between Wacoal Holdings Corp. and Intimates Online:	Capital Relationship:	None	
	Personnel Relationship:	None	
	Business Relationship:	Wholesale customers (Retailer)	
	Status as a Related Party	None	
(9) Operating Results and Financial Condition for Past Three Fiscal Years For each cell, upper figures in thousands of GBP and lower figures in millions of yen (*1)			
Fiscal Year Ending	October 2021	October 2022	October 2023
Net Assets	13,433 2,485	14,167 2,621	16,130 2,984
Total Assets	30,679 5,676	24,806 4,589	26,456 4,894
Net Sales	51,916 9,604	58,160 10,760	58,032 10,736
Operating Income	2,870 531	922 171	3,427 634
Net Income	3,384 626	773 143	2,468 457

(Note 1) For convenience, conversion into Japanese yen has been made at the exchange rate of 185.00 yen to the GBP. The same shall apply hereinafter.

5. Number of Shares to be Acquired, Acquisition Price and Status of Shareholding before and after Acquisition

(1) Number of Shares Held by Wacoal Europe before Acquisition:	0 shares (Number of Voting Rights: 0) (Shareholding Ratio: 0%)
(2) Number of Shares to be Acquired:	49,502 shares (Number of Voting Rights: 49,502)
(3) Acquisition Price:	GBP 45,700 thousand (8,500 million yen) (*1)
(4) Number of Shares Held by Wacoal Europe after Acquisition:	49,502 shares (Number of Voting Rights: 49,502) (Shareholding Ratio: 100%)

(Note 1) In connection with the determination of the acquisition price for the shares, Wacoal Europe has obtained an enterprise valuation report dated May 21st, 2024 from its financial advisor, Grant Thornton U.K. LLP. We have comprehensively considered the valuation results, discussed and negotiated with the investors of Bravissimo Group and ultimately determined the acquisition price for shares.

6. Schedule

(1) Resolution of the Board Meeting:	September 26th, 2024
(2) Execution of Agreement (scheduled):	September 26th, 2024 (Local Time)
(3) Acquisition of Shares (scheduled):	September 26th, 2024 (Local Time)

7. Impact on Consolidated Results

The impact of this share acquisition on the consolidated results of Wacoal Holdings Corp. for the Fiscal Year Ending March 31st, 2025, is currently under review and will be announced promptly if any revisions to the consolidated business forecasts become necessary.

(Reference) Forecast for Current Fiscal Year (as announced on May 15th, 2024) and Results for Previous Fiscal Year

(IFRS)	Revenue	Business Profit	Operating (Loss) Profit	(Loss) Profit Before Income Taxes and Equity in Net Profit of Affiliated Companies	(Loss) Profit Attributable to Owners of Parent	Basic (Loss) Earnings per Share
Forecast for Current Fiscal year (Ending March 31st, 2025)	Millions of Yen 183,000	Millions of Yen 200	Millions of Yen 2,000	Millions of Yen 3,800	Millions of Yen 3,200	Yen 58.11
Results for Previous Fiscal Year (Ending March 31st, 2024)	187,208	3,510	(9,503)	(8,290)	(8,743)	(151.62)

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