

News Release

2017/07/03

World Co., Ltd. and Development Bank of Japan Inc. Launch Jointly Managed W&D Design Fund to Invest in the Fashion Industry

World Co., Ltd. (head office: Kobe City, Hyogo, Japan; Representative Director of the Board, President and Representative Managing Executive Officer: Kenji Kamiyama) and the Development Bank of Japan Inc. (DBJ; head office: Tokyo; President and CEO: Masanori Yanagi) have formed the jointly managed fund, the W&D Design Limited Partnership (W&D Design Fund), and launched investment operations.

The W&D Design Fund will invest primarily in companies that are broadly related to the fashion industry. It will leverage the business management knowhow of the World Group, which operates a multi-model, multi-brand business, as well as the Group's supportive services for diverse fashion businesses encompassing production, sales, digital production and spatial design. In addition, it will tap into the financing knowhow and industry analysis capabilities that the DBJ has accumulated over many years in order to provide long-term funding. Riding on these twin wheels of "business" and "financing," we intend to design the growth of investee companies.

Prior to the launch, World Group subsidiary World Investment Network Co., Ltd. and the DBJ established W&D Investment Design Inc. on June 19 as the company responsible for managing the W&D Design Fund.

The DBJ's investment in the W&D Design Fund falls under its Special Investment Operations, an initiative launched in June 2015 to provide intensive funding of growth capital to revitalize local economies and bolster corporate competitiveness.

Background of the Fund's Establishment

The Japanese fashion industry has matured to the point that market size has remained mostly unchanged at approximately 9 to 10 trillion yen since 2001. On the other hand, consumer buying behavior has continued to change rapidly due to factors that include advances in digital technology.

Having the view that fashion is not only about apparel but also lifestyles in general, companies from outside the industry are making their way into the market while brands are rebranding. As a result, competition is expected to further intensify as companies scramble to survive through business restructuring and M&A.

Meanwhile, the Japanese fashion industry encompasses many small but diverse and unique companies in each region, and a growing number of them are expected to face challenges such as securing corporate growth amid the rapidly changing business environment and finding a successor to ensure business continuity.

In this overall context, the World Group and DBJ have resolved to assist the growth of investee companies by utilizing their respective strengths as a business enterprise and a financial institution toward revitalizing and further enhancing the competitiveness of the Japanese fashion industry.

By jointly establishing the fund, the World Group will move beyond the framework of its fashion business and expand into a domain based on a new growth strategy. At the same time, the DBJ will form its first fund exclusively focused on the fashion industry by utilizing the World Group's diverse business platforms.

Overview of the Fund

Name	W&D Design Limited Partnership (W&D Design Fund)
General partner	W&D Investment Design Inc (Representative Director of the Board and CEO: Taro Fukumoto)
Limited partners	World Co., Ltd. Development Bank of Japan Inc.
Date of establishment	June 30, 2017
Duration	10 years

Overview of the Fund Management Company

Name	W&D Investment Design Inc.
Representative	Representative Director of the Board and CEO: Taro Fukumoto
Head office	WORLD Kita-Aoyama Bldg. 3-5-10, Kita-Aoyama, Minato-ku, Tokyo 107-8526, Japan
Shareholders	World Investment Network Co., Ltd.: 50% (wholly-owned company of World Co., Ltd.) Development Bank of Japan Inc.: 50%
Date of establishment	June 19, 2017

Overview of Fund Scheme

