

# Materials for the 77th Ordinary General Meeting of Shareholders: Matters Not Included in the Delivered Documents

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Among the Electronically Provided Materials, the above matters are not included in the Materials to be delivered to shareholders who have requested physical delivery of the Materials, pursuant to the provisions of the applicable laws and regulations and Wacoal Holdings Corp.'s Articles of Incorporation. The Audit & Supervisory Board Members and the accounting auditor have audited the documents subject to audit, including the above matters.

(For the period from April 1, 2024 to March 31, 2025)

**Wacoal Holdings Corp.**

## BUSINESS REPORT

(For the period from April 1, 2024 to March 31, 2025)

### STATUS OF GROUP BUSINESS

- **Main Offices and Factories**

1. Main Offices and Factories of the Company  
Head Office (Kyoto)
2. Main Offices and Factories of Subsidiaries  
Wacoal Corp. (Kyoto), Peach John Co., Ltd. (Tokyo), Lecien Corporation (Kyoto), Wacoal Manufacturing Japan Corp. (Nagasaki), Torica Inc. (Osaka), Wacoal International Corp. (U.S.A.), Wacoal America, Inc., Wacoal Europe Ltd. (U.K.), Wacoal EMEA Ltd. (U.K.), Bravissimo Group Ltd.(U.K.), Bravissimo Ltd.(U.K.), Wacoal International Hong Kong Co., Ltd., Wacoal Hong Kong Co., Ltd., Wacoal Investment Co., Ltd. (Taiwan), Wacoal China Co., Ltd., A Tech Textile Co., Ltd. (Thailand)

- **Employees**

(1) Employees within the Group

Name of Operating Segment	Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year
Wacoal Business (Domestic)	5,109	(771)
Wacoal Business (Overseas)	9,932	(244)
Peach John Business	383	(19)
Other Business	700	(250)
<b>Total</b>	<b>16,124</b>	<b>(1,284)</b>

- (Notes) 1. The number of employees is the number of individuals working within our Group (excluding individuals seconded from our Group to third parties, but including individuals seconded from third parties to our Group).
2. The number of employees does not include the number of temporary employees (the average number of temporary employees during the period, including temporary staff and part-time workers, is 324).
3. The number of Wacoal Business (Domestic) employees decreased by 771 compared to the end of the previous fiscal year, mainly due to the implementation of the voluntary retirement as part of the structural reforms.
4. The number of Other Business employees decreased by 250 compared to the end of the previous fiscal year, mainly due to the exclusion of Nanasai Co., Ltd. from the scope of consolidation following the partial transfer of its shares.

(2) Employees of the Company

Number of Employees	Increase (Decrease) from the End of Previous Fiscal Year	Average Age	Average Years of Service
89	(9)	44.6	17.0

(Note) The number of employees is the number of individuals working within the Company.

### STOCK INFORMATION (As of March 31, 2025)

- **Total Number of Shares Authorized to be Issued: 250,000,000 shares**
- **Total Number of Issued and Outstanding Shares: 55,500,000 shares (including 3,840,910 shares of treasury stock)**

(Note) The total number of issued and outstanding shares including the shares of treasury stock decreased by 5,500,000 shares from the end of the previous fiscal year (March 31, 2024) following the cancellation of 5,500,000 shares of treasury stock on May 24, 2024 pursuant to the provisions of Article 178 of the Companies Act.

- **Total Number of Shareholders: 14,903**

- **Major Shareholders (Top 10):**

Name of Shareholder	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,594	10.83
Meiji Yasuda Life Insurance Company	3,050	5.90
MUFG Bank, Ltd.	2,704	5.24
The Bank of Kyoto, Ltd.	2,352	4.55
GOLDMAN SACHS INTERNATIONAL	1,737	3.36
Nippon Life Insurance Company	1,569	3.04
The Shiga Bank, Ltd.	1,569	3.04
Mitsubishi UFJ Trust and Banking Corporation	1,525	2.95
Custody Bank of Japan, Ltd. (Trust Account)	1,512	2.93
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	1,230	2.38

- (Notes) 1. The number of shares held by shareholder is rounded down to the nearest thousand.
2. The Company is holding 3,840,910 shares of treasury stock, which are not listed in the above list of major shareholders.
3. The shareholding ratio is calculated excluding the number of shares of treasury stock.

- **Shares Issued to Officers as Consideration for Execution of Duties During the Fiscal year ended March 31, 2025**

	Number of Shares Granted	Number of Officers Granted Shares
Directors (excluding External Directors (Independent))	10,900	3

(Note) For details on restricted stock, please see “2. Officers – (2) Compensation and Other Compensation Paid to Directors and Audit and Supervisory Board Members” in “NOTICE OF THE 77TH ORDINARY GENERAL MEETING OF SHAREHOLDERS”.

## MATTERS CONCERNING STOCK ACQUISITION RIGHTS

### Stock Acquisition Rights Granted to Officers as Consideration for Execution of Duties Held as of the End of Fiscal Year Ended March 31, 2025

Name (issuance date)	Number of stock acquisition rights	Class and number of shares represented by stock acquisition rights	Amount to be paid upon exercise of stock acquisition rights	Exercise period	Status (held by)
18th Stock Acquisition Rights (July 29, 2016)	4	Common stock 2,000 shares	One (1) yen per share	September 2, 2016 - September 1, 2036	1 Director (Note 2)
20th Stock Acquisition Rights (July 31, 2017)	2	Common stock 1,000 shares	One (1) yen per share	September 2, 2017 - September 1, 2037	1 Director (Note 2)
21st Stock Acquisition Rights (July 20, 2018)	11	Common stock 1,100 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	1 Director
22nd Stock Acquisition Rights (July 20, 2018)	9	Common stock 900 shares	One (1) yen per share	August 18, 2018 - August 17, 2038	1 Director (Note 2)
23rd Stock Acquisition Rights (June 27, 2019)	16	Common stock 1,600 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	1 Director
24th Stock Acquisition Rights (June 27, 2019)	16	Common stock 1,600 shares	One (1) yen per share	July 23, 2019 - July 22, 2039	1 Director (Note 2)
25th Stock Acquisition Rights (June 26, 2020)	19	Common stock 1,900 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	1 Director
26th Stock Acquisition Rights (June 26, 2020)	20	Common stock 2,000 shares	One (1) yen per share	July 18, 2020 - July 17, 2040	1 Director (Note 2)

- (Notes)1. Stock acquisition rights are not held by the external director (independent) nor audit & supervisory board member.  
2. The stock acquisition right(s) held by the director was granted during which such director held a position as a director at our subsidiary upon issuance of the stock acquisition right(s).  
3. The number of shares subject to one stock acquisition right is 100 shares (500 shares for stock acquisition right granted on and before September 1, 2017).  
4. The “class and number of shares represented by stock acquisition rights” has been adjusted to reflect the share consolidation pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017.

## OFFICERS

### • Summary of Limitation of Liability Agreement

Pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and our Articles of Incorporation, the Company has executed an agreement with its External Directors (Independent) and External Audit & Supervisory Board Members (Independent) to limit their liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act.

The maximum amount of liability under such agreement is the minimum amount as provided by laws and regulations.

### • Outline of Directors’ and Officers’ Liabilities Insurance

The Company maintains directors’ and officers’ liabilities insurance as stipulated in the provisions of Paragraph 1, Article 430-3 of the Companies Act with an insurance company. The scope of the insured under this insurance policy is all of the officers (i.e., Directors and Audit & Supervisory Board Members) of the Company, all of the officers of our domestic consolidated subsidiaries, including Wacoal Corp., as well as the officers who are Japanese nationals and on secondment to our overseas subsidiaries and affiliated companies. The insured does not bear the premiums. This insurance policy will cover the insured’s losses incurred from corporate lawsuits, shareholder derivative actions, and proceedings brought by third parties. The damages less than the deductible under the insurance policy will not be covered. In addition, to ensure that the propriety of the officer's duties is not impaired, this insurance policy will not cover the insured’s losses related to criminal activities, deliberately illegal activities, etc.

MATTERS CONCERNING ACCOUNTING AUDITOR

- **Name of Accounting Auditor**  
  
Deloitte Touche Tohmatsu LLC
- **Compensation, etc.**

(Millions of yen)	
Amount of compensation payable to the accounting auditor for this fiscal year:	132
Total amount of money and other property benefits to be paid to the accounting auditor by the Company and its subsidiaries:	144

(Notes) 1. The accounting audit agreement executed between the Company and its accounting auditor does not distinguish compensation for accounting under the Companies Act from that for accounting under the Financial Instruments and Exchange Act, and they cannot be reliably distinguished. Therefore, the amount given above represents the total amount of compensation for both types of accounting work.  
2. Among our significant subsidiaries, Wacoal International Corp., Wacoal America, Inc., Wacoal Europe Ltd., Wacoal EMEA Ltd., Bravissimo Ltd., and Wacoal China Co., Ltd. are subject to audits by other auditing firms and not by our accounting auditor.

- **Consent on Amount of Compensation, etc. Payable to Accounting Auditor**

The Audit & Supervisory Board has obtained necessary documents and received explanations regarding the comparison of the estimated time under the audit plan from the previous fiscal year and the actual time used for audit performance and the trend in the amount of compensation paid for the audit performance during the past fiscal years from the directors, the relevant departments and the accounting auditor, has reviewed the details of audit performed by the accounting auditor for the previous fiscal year and the details of audit planning, basis for calculating compensation and level of compensation presented by the accounting auditor for the current fiscal year, and after deliberating whether the amount of compensation for the audit performance is appropriate to maintain the independence of the accounting auditor and to carry out its accounting audit under appropriate audit system and audit plan for the assessment of risks related to the audit environment and internal control system of the business group (including the Company and its consolidated subsidiaries), the Audit & Supervisory Board has deemed the amount of compensation for the current fiscal year is appropriate. Based on the above, the Audit & Supervisory Board has given its consent, pursuant to the provisions of Paragraph 1, Article 399 of the Companies Act, on the amount of compensation payable to the accounting auditor.

- **Policy on Determination of Dismissal and Non-Reappointment of Accounting Auditor**

If the accounting auditor comes to fall under any of the items of Paragraph 1, Article 340 of the Companies Act and its dismissal is deemed appropriate, the Audit & Supervisory Board will dismiss the accounting auditor with the consent of all Audit & Supervisory Board Members.

In addition to the above, upon the occurrence of an event which may harm the eligibility or independence of the accounting auditor, or if it is deemed difficult for the accounting auditor to perform appropriate audit procedures, the Audit & Supervisory Board will prepare and determine an agenda concerning the dismissal or non-reappointment of the accounting auditor, and pursuant to such resolution, Board of Directors will submit such agenda as a proposal at the General Meeting of Shareholders.

SYSTEMS AND POLICIES OF COMPANY

**Systems to Ensure Appropriate Business Conduct and Status of the Operation (for the fiscal year ended by March 31, 2025)**

- **Systems to Ensure that Execution of Duties by Directors and Employees Is in Compliance with Laws and Regulations and the Company’s Articles of Incorporation**  
  
1. To ensure that all Directors and employees of the business group comprised of the Company and its subsidiaries (“the Group”) comply with laws and regulations and the Articles of Incorporation and conduct business based on sound social norms, we have enacted “Wacoal Code of Ethics” and “Corporate Ethics: Wacoal’s Code of Conduct.”

Status of the Operation

We are making efforts to enhance awareness on “Corporate Ethics: Wacoal’s Code of Conduct” at our domestic and overseas subsidiaries, such as revising this Code of Conduct to the 7th edition in April 2024 in response to a review of the framework of the Group’s management philosophy in June 2022 and changes in the business environment. In the fiscal year ended March 31, 2025, we conducted rank-specific group trainings and e-learning programs focused on contents of the guidelines, and promoted awareness-raising activities such as continuing regular distribution of the Group Compliance Newsletter (*Konpura Kawara-ban*).

- 2. We have established a Corporate Ethics and Risk Management Committee, for which our Representative Director, President and CEO (Group CEO) acts as the administrative manager and our Representative Director, Vice President and Executive Officer and CFO in charge of Group Business Management acts as the chairperson, in order to improve our systems of compliance, to consider any compliance issues which may have a material impact on the Group, to enhance awareness and enlightenment on corporate ethics and to effectively promote control of any management risks on the Group.

Status of the Operation

In order to specifically develop and operate our compliance systems, we have established a Subcommittee for Compliance under the Corporate Ethics and Risk Management Committee. The Subcommittee meets quarterly to discuss compliance awareness-raising methods and the nature of internal reporting cases. For the fiscal year ended March 31, 2025, this Subcommittee met four times in June, September, December and March. The subcommittee also designated February of each year as Corporate Ethics Reinforcement Month starting from the fiscal year ended March 31, 2025, and has increased awareness by expanding opportunities to spread awareness via the intranet and implementing e-learning programs with the aim of disseminating “Corporate Ethics: Wacoal’s Code of Conduct.”

- 3. We have established systems under which our Legal and Compliance Dept. could be promptly notified if a Director and/or employee of the Group becomes aware of a compliance issue which may have violated the “Wacoal Code of Ethics” or the “Corporate Ethics:

Wacoal's Code of Conduct," or of any other compliance issues. The systems include an internal whistle-blower system (corporate ethics hotline to the Legal and Compliance Dept. and an external law firm) in which, after being notified and/or alerted, the Legal and Compliance Dept. conducts an investigation and formulates preventive measures after discussions with the related department. In case the issue is critical, the Legal and Compliance Dept. shall refer the matter to the Corporate Ethics and Risk Management Committee and shall report the results of its deliberation to the Board of Directors and/or Audit & Supervisory Board.

**Status of the Operation**

Details of all whistle-blowing reports and the status of responses are reported to the Subcommittee for Compliance and the Corporate Ethics and Risk Management Committee, and are also reported to the Board of Directors and the Audit & Supervisory Board on a quarterly basis.

Information about the whistle-blowing system is disseminated to domestic subsidiaries through the Group Compliance Newsletter (*Konpura Kawara-ban*), while awareness of the system at overseas subsidiaries is checked through questionnaire surveys and interviews. In addition, the system's operational performance is posted to employees on the intranet bulletin board at the end of the fiscal year.

4. The "Corporate Ethics: Wacoal's Code of Conduct" prescribes that Directors and employees shall firmly refuse to comply with demands of antisocial forces. In order to handle unjust demands of antisocial forces, we cooperate with outside specialized institutions, collect and/or control information related to antisocial forces and build internal systems.

• **Systems concerning the Storage and Management of Information related to Execution of Duties by Directors**

1. With the approval of the Board of Directors, we have enacted "Document Management Rules" pursuant to which we store the following documents (including electromagnetic records, hereafter the same) along with any related materials:

Minutes of the General Meeting of Shareholders, minutes of the Board of Directors' meetings, minutes of the Committee for Group Strategy meetings, minutes of the Group Management Meeting, documents for which a Director is the final decision maker and any other documents prescribed in the "Document Management Rules"

2. The retention period and the place for storage of the documents prescribed in the preceding paragraph shall be subject to the "Document Management Rules," but such retention period shall be at least ten (10) years. The Directors and Audit and Supervisory Board Members shall have access to these documents at all times.

**Status of the Operation**

Documents prescribed in the "Document Management Rules" have been properly stored in accordance with such Management Rules, and the Directors and Audit and Supervisory Board Members have access to these documents on a timely basis.

• **Rules and Other Systems concerning Risk Management of Losses**

1. In order to understand the management risk within the Group in general and to improve and/or strengthen our risk management systems, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director, President and CEO (Group CEO) acts as the administrative manager and our Representative Director, Vice President and Executive Officer and CFO in charge of Group Business Management acts as the chairperson.

**Status of the Operation**

For the fiscal year ended March 31, 2025, this Committee met five times in April, June, September, December and March.

2. The Corporate Ethics and Risk Management Committee prescribes "Risk Management Basic Rules," subject to the approval of the Board of Directors, which form the basis for our risk management systems. The Corporate Ethics and Risk Management Committee clarifies the responsibilities by risk category pursuant to these rules, and formulates risk management systems that thoroughly and/or comprehensively controls potential risk within the Group.

**Status of the Operation**

In accordance with the "Risk Management Basic Rules," the Corporate Ethics and Risk Management Committee conducts a scoring evaluation of risks extracted from each risk management organization it designates from the perspective of likelihood of occurrence and degree of impact by using the "Business Risk Evaluation Sheet." Risk items that are evaluated and identified by this Committee as having a significant potential impact on the management of the Group are managed as "Group's Materials Risks" after approval by the risk management supervising manager.

3. The Corporate Ethics and Risk Management Committee regularly reports on the operations of the Group's risk management systems to the Board of Directors.

**Status of the Operation**

This Committee promotes risk-mitigation initiatives, identifies risks, monitors the implementation of countermeasures, and reports to the Board of Directors on a quarterly basis and on an ad hoc basis as necessary. For the fiscal year ended March 31, 2025, this Committee met five times in April, June, September, December and March.

4. In order to formulate our basic policy on issues related to sustainability surrounding the Group, we have established a Sustainability Committee, for which our Representative Director, President and CEO (Group CEO) acts as the administrative manager and the chairperson.
5. The Sustainability Committee meets regularly on the same day as a meeting of the Board of Directors is held, to formulate specific measures, monitor progress, and evaluate the status of achievement based on our basic policy on sustainability issues including climate change, global environmental issues and human rights issues.

**Status of the Operation**

In the fiscal year ended March 31, 2023, we have established a new Sustainability Committee to accelerate our initiatives to achieve balancing "to resolve social issues" and "corporate growth" through our business. For the fiscal year ended March 31, 2025, this

Committee met five times in May, August, September, February and March to monitor progress of specific initiatives with respect to issues surrounding sustainability and evaluate achievements.

6. The Board of Directors oversees the implementation of strategies related to the allocation of management resources and the business portfolios to ensure that the initiatives of the Sustainability Committee contribute to sustainable growth.

• **Systems to Ensure Effective Execution of Duties by Directors**

1. The Board of Directors consists of a diverse group of Directors, taking into account gender, international experience and background, professional experience, age and other factors, while ensuring that the Directors have the requisite balance of skills, such as knowledge, experience and expertise, each in light of management strategies.

2. Independent External Directors shall include those who have management experience at other companies, and in order to enhance appropriate decision-making by our Directors, at least one-third of all Directors shall be independent External Directors.

Status of the Operation

We engage in highly transparent decision-making process by appointing five Independent External Directors among our eight Directors.

3. In addition to decision-making on significant matters as stipulated in the applicable laws and regulations and/or our Articles of Incorporation, the Board of Directors formulates a management plan to be shared by the Directors and/or employees within the Group based on consideration of medium- to long-term management strategies and social issues, directs courses of action and performance targets in the medium to short-term that are consistent with this plan and supervise the progress of its implementation.

4. The Group Management Meeting is responsible for the Group's management strategies and other important management issues under the medium- to long-term management policies determined by the Board of Directors. In addition, the Board of Directors consults the Committee for Group Strategy, which is chaired by the Representative Director, President and CEO (Group CEO) and comprises all independent officers (External Directors and External Audit and Supervisory Board Members), on important matters to be resolved by the Board of Directors, the major management issues, etc., including the Group's management philosophy, management policies, medium- to long-term management strategies, and key medium-term business strategies, as well as the allocation of management resources, and receives reports on such matters after thorough discussion from a multifaceted perspective. On the other hand, the Committee shall monitor progress against the recommendations and oversee that timely and appropriate adjustments are made.

Status of the Operation

Based on the medium- to long-term management strategies of the Group, the persons responsible for the business execution (internal Directors and Executive Officers) fully deliberate important management issues through the Group Management Meeting, which is followed by a meeting of the Board of Directors for decision making.

In addition, following the fiscal year ended March 31, 2024, we continued to hold Committee for Group Strategy meetings and reported to the Board of Directors after thorough, multifaceted discussions on important matters to be resolved by the Board of Directors and major management issues, such as "business model reform," "growth strategy," and "promoting asset-light," which are positioned as core elements of the Revised Medium-Term Management Plan. For the fiscal year ended March 31, 2025, this Committee met 16 times in April, May, June, July, August (twice), September, October (twice), November (three times), December, January, February and March.

5. We shall follow the business results of each company in the Group on a monthly basis and report back to the Board of Directors. In addition, we hold Quarterly Achievements Review Meetings to review and confirm quarterly business results and the implementation of measures and policies, and to consider improvement measures as necessary.

Status of the Operation

We hold quarterly meetings of the Quarterly Achievements Review Meeting, to confirm the business results and implementation of measures, and implement remedial measures as necessary.

6. In the specified wholly owned subsidiaries of the Group, we establish appropriate and efficient systems by delegating authority and clarifying responsibilities through the executive officer systems.

• **Systems to Ensure Appropriate Business Conduct within Group Companies**

1. We have enacted our "Group Management Rules," which prescribes basic policies regarding the management of Group companies and matters to be decided by our Board of Directors, as well as matters to be reported to the Company and manages our Group companies in accordance with the rules.

2. We conduct any intercompany transaction fairly in compliance with laws and regulations, accounting principles and the tax systems.

Status of the Operation

Matters to be decided and reported by the Company and our subsidiaries are appropriately managed in accordance with the "Group Management Rules." In addition, the Group has established and disseminated internal rules and regulations to ensure fairness in transactions between Group companies.

3. Internal Auditing Office shall conduct audits of operations within the Group, including audits of the establishment and/or operation of our compliance systems and risk management systems, and shall report the results of its audits to the Board of Directors and the responsible departments and give guidance and/or advice related to the above to Group companies to ensure appropriate conduct of business.

Status of the Operation

Internal Auditing Office develops an audit plan for each fiscal year and conducts audits on the operation and internal controls of the Company and our domestic and overseas subsidiaries.

4. Our foreign subsidiaries shall comply with the laws and regulations of their respective home countries and shall adopt systems that are in line with our policies to the extent reasonable.

- **Matters concerning Assistants to Audit and Supervisory Board Members**

1. Audit and Supervisory Board Members may appoint employees of the Company as their assistants who are to assist the duties of the Audit and Supervisory Board Members.

Status of the Operation

Internal Auditing Office assists with the duties of the Audit & Supervisory Board Members upon their request from time to time.

Audit & Supervisory Board Members have not requested or appointed any assistant for their duties.

2. Such assistants shall serve on a full-time basis. In order to ensure the effectiveness and independence of such assistants, decisions on personal affairs, including appointment, evaluation, relocation and discipline of such assistants shall be subject to the consent of the Audit & Supervisory Board Members.

- **Reporting Systems of Directors and Employees to the Audit & Supervisory Board Members and Other Systems related to the Report to Audit & Supervisory Board Members**

1. Directors of the Group shall promptly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Group.
2. Employees of the Group may directly report to the Audit & Supervisory Board Members if they become aware of a material fact that violates the applicable laws and regulations and/or Articles of Incorporation of each company, misconduct or a fact that may cause significant damage to any company of the Group. Any employee who makes such report shall not be at a disadvantage for the reason of making such report.
3. Through the reporting of the following matters in addition to statutory matters to the Audit & Supervisory Board Members by Directors and employees of the Group, we strive to have the Audit & Supervisory Board Members audit conducted effectively.

A) Matters proposed to the Committee for Group Strategy and Group Management Meeting

B) Monthly and quarterly Group management conditions

C) Results of audits of operations

D) Status of reports through the internal whistle-blower system

E) Other significant matters

Status of the Operation

The Audit & Supervisory Board Members attend primary meetings and receive reports on matters that are discussed and on the management condition.

The Audit & Supervisory Board Members also receive reports, from time to time, on the results of audits on the operation by Internal Auditing Office and matters reported through the internal whistle-blower system.

- **Other Systems to Ensure Effective Audits by Audit & Supervisory Board Members**

1. The majority of the Audit & Supervisory Board Members of the Company shall be independent External Audit & Supervisory Board Members to enhance the transparency and neutrality of the audit.
2. The Audit & Supervisory Board Members may order employees who belong to Internal Auditing Office to perform any tasks that are required to provide their services. In addition, the Audit & Supervisory Board Members may request the Company for reimbursement of expenses incurred for performing their duties.

Status of the Operation

The Company reimburses any and all expenses incurred by the Audit & Supervisory Board Members for performing their duties.

3. Audit & Supervisory Board Members may attend meetings of the Board of Directors and may also attend other primary meetings of the Group.
4. The Audit & Supervisory Board Members shall regularly meet with Internal Auditing Office and the accounting auditor to receive reports and to exchange opinions.
5. The Audit & Supervisory Board may consult legal counsel, certified public accountants, consultants or other outside advisors as it deems necessary.

Status of the Operation

We enhance the effectiveness of the audit by appointing three independent External Audit & Supervisory Board Members among the five Audit & Supervisory Board Members.

The Audit & Supervisory Board Members attend meetings of the Board of Directors and other important meetings, conduct hearings with the Directors and also visit our subsidiaries to conduct audits. In addition, the Audit & Supervisory Board Members preside at Audit & Supervisory Board Group Meetings and receive periodic reports from the Audit & Supervisory Board Members of the domestic subsidiaries.

The Audit & Supervisory Board Members, regularly and whenever necessary, exchange information and opinions with the accounting auditor and Internal Auditing Office.

# **CONSOLIDATED FINANCIAL STATEMENTS**

## **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** **Year ended March 31, 2025**

(Millions of yen)

Item	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Other components of equity	Treasury stock	Total		
Balance as of April 1, 2024	13,260	20,550	148,494	46,784	(17,259)	211,829	3,313	215,142
Profit (loss)			6,989			6,989	(201)	6,788
Other comprehensive income				(4,588)		(4,588)	70	(4,518)
Total comprehensive income	—	—	6,989	(4,588)	—	2,401	(131)	2,270
Repurchase of treasury stock					(17,008)	(17,008)		(17,008)
Disposal of treasury stock		0			0	0		0
Cancellation of treasury stock		(16,011)			16,011	—		—
Share-based payment transactions		(228)			288	60		60
Dividends			(5,463)			(5,463)	(107)	(5,570)
Disposal of subsidiaries						—	(2)	(2)
Transfer from other components of equity to retained earnings			3,559	(3,559)		—		—
Total transactions with owners	—	(16,239)	(1,904)	(3,559)	(709)	(22,411)	(109)	(22,520)
Balance as of March 31, 2025	13,260	4,311	153,579	38,637	(17,968)	191,819	3,073	194,892

(Note) Amounts less than ¥1 million are rounded to the nearest million.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (NOTES TO BASIS OF SIGNIFICANT MATTERS IN PREPARING CONSOLIDATED FINANCIAL STATEMENTS)

#### 1. Standard of Preparation of Consolidated Financial Statements

Pursuant to the provisions of the first paragraph of Article 120 of the Ordinance on Company Accounting, the consolidated financial statements of Wacoal Holdings Corp. (the “Company”) and its subsidiaries (collectively, the “Group”) have been prepared in accordance with the Designated International Financial Reporting Standards (“IFRS”). In accordance with the provisions in the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, certain disclosure items required under IFRS have been omitted from the consolidated financial statements.

#### 2. Matters Regarding the Scope of Consolidation

(1) Number of consolidated subsidiaries: 51

(2) Principal consolidated subsidiaries: Wacoal Corp.; Peach John Co., Ltd.; Lecien Corporation; Wacoal Manufacturing Japan Corp.; Torica Inc.; Wacoal International Corp.; Wacoal America Inc.; Wacoal Europe Ltd.; Wacoal EMEA Ltd.; Bravissimo Group Ltd.; Bravissimo Ltd.; Wacoal International Hong Kong Co., Ltd.; Wacoal Hong Kong Co., Ltd.; Wacoal Investment Co., Ltd.; Wacoal China Co., Ltd.; and A Tech Textile Co., Ltd.

#### 3. Matters Regarding the Application of the Equity Method

(1) Number of affiliated companies: 7

(2) Principal affiliated companies: Shinyoung Wacoal Inc.; Taiwan Wacoal Co., Ltd.; and Thai Wacoal Public Company Limited

#### 4. Matters Regarding the Standard of Accounting Principles

##### (1) Financial assets

##### 1) Initial recognition and measurement

The Group classifies financial assets into financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income or financial assets measured at amortized cost. The classification is determined at the time of initial recognition.

The Group recognizes these financial instruments on the respective transaction dates when they become a party to the contractual provisions of the financial assets.

All financial assets are measured at fair value plus transaction costs, unless the assets are classified as financial assets measured at fair value through profit or loss.

Financial assets that are classified as financial assets measured at amortized cost if both of the following conditions are met:

- The asset is held based on the Group’s business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other than the financial assets that are classified as financial assets measured at amortized cost are classified as financial assets measured at fair value.

Equity financial assets measured at fair value, except for those held for trading that must be measured at fair value through profit or loss, are designated measured at fair value through other comprehensive income or fair value through profit or loss at initial recognition. Such designations are made for each equity financial asset and applied consistently.

##### 2) Subsequent measurement

After initial recognition, financial assets are measured based on the classification as follows:

##### a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

##### b) Financial assets measured at fair value

Changes in fair value of financial assets measured at fair value are recognized in profit or loss.

However, changes in fair value of equity financial assets designated as measured at fair value through other comprehensive income are recognized in other comprehensive income. Dividends from such financial assets are recognized as part of investing income in profit or loss for the current fiscal year.

##### c) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial assets expire, or when the Group transfers the financial assets and substantially all the risks and rewards of ownership. If the Group

maintains control of the transferred financial asset, it recognizes the asset and associated liabilities to the extent of its continuing involvement.

d) Impairment of financial assets

For financial assets measured at amortized cost, the Group recognizes an allowance for doubtful accounts for expected credit losses.

The Group assesses at the end of the reporting period whether the credit risk on each financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the amount equal to expected credit losses for 12 months is recognized as allowance for doubtful accounts. On the other hand, if the credit risk has increased significantly since initial recognition, the amount equal to lifetime expected credit losses is recognized as allowance for doubtful accounts.

When contractual payments are more than 30 days past due, the Group determines in principle that there has been a significant increase in credit risk. However, reasonable and supportable information (internal rating, external rating and others) is taken into consideration in assessing whether there is a significant increase in credit risk.

When the credit risk associated with a financial asset is considered to be low as of the balance sheet date, the credit risk of the financial asset is not considered to have increased significantly since the date of the initial recognition. When the collection of all or a portion of a receivable is considered impossible or extremely difficult, the receivable is deemed to be in default.

However, for trade receivables and contract assets that do not contain a significant financing component, the allowance for doubtful accounts is always recognized at the amount equal to lifetime expected credit losses, regardless of whether or not the credit risk has increased significantly since initial recognition.

Expected credit losses are measured at the present value of the difference between the contractual cash flows that are due to the Group under the contract and all the cash flows that the Group expects to receive.

The expected credit losses of financial assets are estimated in a way that reflects the following:

- An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes
- Reasonable and supportable information about past events, current conditions and forecasts of economic conditions that is available without undue cost or effort at the reporting date.

If there are significant economic fluctuations, additional adjustment is made in expected loss.

The Group directly writes off an asset by reducing the total carrying amount in cases where collection of contractual cashflow is not reasonably expected, entirely or partially.

An allowance for doubtful accounts for financial assets is recognized in profit or loss. If an event occurs that reduces the allowance for doubtful accounts, the reversal of the allowance for doubtful accounts is recognized in profit or loss.

(2) Inventories

Inventories are stated at the lower of cost or market cost. The cost is determined on an average cost basis for work in process and finished products and on a first-in, first-out basis for raw materials. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(3) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and borrowing cost which satisfies the conditions of asset capitalization.

Property, plant and equipment are depreciated over their estimated useful lives mainly using the straight-line method.

The estimated useful lives are as follows:

- Buildings and structures 2 to 50 years (Mainly 38 years)
- Machinery and vehicles, Tools, furniture and fixtures 2 to 20 years (Mainly 5 years)

The depreciation method, the estimated useful life and the residual value are reviewed at the end of each fiscal year. If there are any changes, they are applied prospectively as changes in accounting estimates.

(4) Goodwill and intangible assets

1) Goodwill

Goodwill is measured at the fair value of the considerations transferred, including the recognized amount of any non-controlling interests in the acquiree at the date of acquisition, less the net recognized amount of the identifiable assets acquired and the liabilities assumed at the acquisition date (ordinarily measured at fair value).

Goodwill is not amortized and is tested for impairment each fiscal year, or whenever there is an indication of impairment.

Impairment loss on goodwill is recognized in the consolidated statement of profit or loss and no subsequent reversal is made.

Goodwill is stated at cost less any accumulated impairment loss.

## 2) Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. Intangible assets acquired in a business combination and recognized separately from goodwill are measured at the fair value as of the acquisition date.

For measurement of intangible assets, the cost model is adopted, and they are carried at cost less any accumulated depreciation and any accumulated impairment losses.

For internally generated intangible assets, the entire amount of the expenditure is recorded as an expense in the period in which it arises, except for development expenses that meet the requirements for capitalization.

Intangible assets with finite useful lives are amortized over their estimated useful lives using the straight-line method.

The estimated useful lives of main intangible assets are as follows:

- Brands 15, 20 and 25 years (mainly 25 years)
- Software 5 years
- Customer related intangible assets 12 years

The estimated useful lives, residual value and amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period, and any changes are applied prospectively as a change in accounting estimate.

The Group considers that trademark rights and paintings have indefinite useful lives because they can be used continuously as the Group continues its business.

For measurement of intangible assets with indefinite useful lives, the cost model is adopted, and they are carried at cost less any accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized and tested for impairment each fiscal year or when there is an indication that they may be impaired, either individually or at the cash-generating units (hereinafter "CGU").

## (5) Investment property

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties are measured by using the cost model and are initially stated at cost less accumulated depreciation and accumulated impairment losses.

Investment properties other than land are amortized over their estimated useful lives using the straight-line method.

## (6) Leases

When the Group becomes a lessee under a lease contract, the Group recognizes a right-of use asset and a lease liability at the lease commencement date. Lease liability is measured at the present value of the total outstanding lease payments accrued, and right-of use asset is measured at acquisition cost, which is the amount of the initial measurement of the lease liability adjusted for lease payments made prior to the lease commencement date, less any lease incentives received, original direct costs, and restoration costs other than those incurred to produce the inventories.

After initial recognition, the right-of-use asset is depreciated on a straight-line basis over the useful life or lease term, whichever is shorter.

The lease payments comprise fixed lease payments and variable lease payments that are not paid at the lease commencement date.

The Group does not recognize right-of-use assets and lease liabilities for either short-term leases with a lease term of 12 months or less, or leases for which the underlying assets are of low value. The total lease payments of these leases are recognized as expenses under the straight-line basis or another systematic basis over the lease terms.

(7) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, excluding inventories and deferred tax assets, are reviewed to determine whether there is any indication of impairment at each reporting date. If there is any indication of impairment, the recoverable amount for the asset is estimated.

The recoverable amount for an asset or CGU is the higher of value-in-use or fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset. Assets that are not individually tested in impairment testing are integrated into the smallest CGU that generates cash inflows largely independent of cash inflows from other assets or asset groups. The CGU for goodwill tested in impairment testing is determined based on the aggregated unit by which the goodwill is monitored for internal management purposes. Goodwill acquired in business combinations is allocated to each CGU that is expected to benefit from the synergies of the business combinations.

Because the corporate assets do not generate independent cash inflows, if there is an indication that corporate assets may be impaired, the recoverable amount is determined for the CGU to which the corporate assets belong.

If the carrying amount of an asset or a CGU exceeds the recoverable amount, an impairment loss is recognized in profit or loss for the period. Impairment losses recognized in relation to a CGU are first allocated to reduce the carrying amount of any goodwill allocated to the CGU and then allocated to the other assets of the CGU pro rata on the basis of their carrying amounts.

An impairment loss related to goodwill cannot be reversed in future periods. Previously recognized impairment losses on assets other than goodwill are reviewed at each reporting date to determine whether there is any indication that a loss has decreased or no longer exists. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

(8) Provisions

Provisions are recognized if the Group has a present legal or constructive obligation as a result of past events, if it is likely that an outflow of economic resources will be required to settle the obligation, and if the amount can be reliably estimated. When the time value of money is material, provisions are measured at the present value by discounting the expected future cash flows at a pre-tax discount rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance expense.

(9) Employee benefits

Part of the Group has adopted defined benefit plans and defined contribution plans as post-employment benefit plans.

The present value of the defined benefit obligations is calculated by using the projected unit credit method.

The liabilities or assets of the defined benefit plan are recognized at an amount representing the present value of the defined benefit obligations less the fair value of the plan assets.

Remeasurement of the net defined benefit liabilities or assets is recognized as other comprehensive income at the time of occurrence and is immediately reclassified to retained earnings. Past service cost and any gain or loss on settlement are recognized as profit or loss.

Expenses related to post-employment benefits of the defined contribution pension plan are recognized as expenses at the time an employee provides the relevant service.

(10) Revenue from contracts with customers

The Group recognizes revenue under the following five-step approach for contracts with customers, excluding interest and dividend income under IFRS 9 "Financial Instruments" and lease income under IFRS 16 "Leases" ("IFRS 16")

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Measure the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies performance obligations

The Group recognizes revenue when control of promised products is transferred to customers and performance obligations are satisfied. The Group's revenue is recognized for transactions, net of any trade discounts or rebates given. In addition, provision for expected returns is deducted from revenue based on actual return amounts from previous fiscal year.

**(NOTES TO SIGNIFICANT ACCOUNTING ESTIMATE)**

The following is a list of items of which amount has been prepared using accounting estimate and recorded in the consolidated financial statements for the current fiscal year that may have a material effect on the consolidated financial statements for the next fiscal year.

Goodwill allocated to Wacoal Europe Ltd. Group: ¥15,191 million

The allocation of the acquisition cost has not been finalized for a portion of the goodwill because the calculation of the fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date is not yet complete. Accordingly, the amount is provisional and subject to revision.

To test for goodwill impairment, the carrying amount of each cash-generating unit is compared with its recoverable amount. If the recoverable amount is below its carrying amount, an impairment loss is recognized in an amount equal to that deficiency. The recoverable amount is the higher of the fair value less costs to dispose of the cash-generating unit or value in use.

In calculating the recoverable amount, certain assumptions are made regarding the remaining useful life of an asset, future cash flows, discount rates, growth rates and other factors. These assumptions are determined based on management's best estimates and judgment. However, the assumptions may be affected by changes in business plans and economic conditions in the future, and if they need to be reviewed, this may have a significant impact on the amounts recognized in the consolidated financial statements from the next fiscal year and onwards.

Based on the aforementioned impairment assessment, the Group did not record any impairment loss on goodwill for Wacoal Europe Ltd. Group in the consolidated fiscal year ended March 31, 2025.

**(NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION)**

## 1. Allowance for Doubtful Receivables Deducted Directly from Assets

Trade and other receivables	¥365 million
Other financial assets	¥212 million

## 2. Accumulated Depreciation and Accumulated Impairment Losses related to Assets

Property, plant and equipment	¥65,746 million
Right-of-use assets	¥12,134 million
Investment property	¥1,672 million

**(NOTES TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS)**

## 1. Gain on Sales of Fixed Assets

As part of the initiatives to "promote asset reduction" disclosed in the revised medium-term management plan, the Group recorded a gain on sales of fixed assets of 9,439 million yen in "Other income," primarily due to the sale of owned real estate.

## 2. Restructuring Expenses

Expenses of 3,596 million yen related to a series of restructuring, such as impairment of assets and valuation losses on inventories at the Company and some consolidated subsidiaries, were recorded in "Other expenses."

**(NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)**

## 1. Class and total number of issued shares as of March 31, 2025

Common stock 55,500,000 shares

## 2. Matters regarding dividends

## (1) Dividend payments

Resolution	Class of Shares	Total Amount of Dividends (Millions of yen)	Dividends per Share (Yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 15, 2024	Common stock	2,753	50.00	March 31, 2024	June 6, 2024
At the Board of Directors' Meeting held on November 11, 2024	Common stock	2,709	50.00	September 30, 2024	December 6, 2024

## (2) Dividend with a record date in the current consolidated fiscal year but has an effective date in the following fiscal year

Resolution	Class of Shares	Source of Dividend	Total Amount of Dividends (Millions of yen)	Dividends per Share (Yen)	Record Date	Effective Date
At the Board of Directors' Meeting held on May 15, 2025	Common stock	Retained earnings	2,583	50.00	March 31, 2025	June 6, 2025

3. Class of shares and number of shares represented by the stock acquisition rights (excluding those for which the first day of the exercise term has not yet arrived) as of the end of the current consolidated fiscal year

Common stock: 168,200 shares

**(NOTES TO THE FINANCIAL INSTRUMENTS)**

1. Matters Regarding the Status of Financial Instruments

(1) Capital management

The Group manages capital with the aim to maximize corporate value through sustainable growth.

The main indicator used by the Group in capital management is the return on equity attributable to owners of parent, which is reported to and monitored by management on a regular basis. There are no significant capital regulations which are applied to the Group.

(2) Management of financial risks

The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk, and market price fluctuation risk) in the course of its management activities, and manages such risks based on certain policies to mitigate such financial risks. The Group uses derivatives transactions to hedge foreign exchange fluctuation risks and does not engage in speculative transactions.

(3) Management of credit risk

Credit risk is defined as the risk that parties with whom the Group has contracted failed to perform their contractual obligations under the financial assets held by the Group, resulting in financial loss to the Group.

In accordance with the credit management regulations, the Group manages due dates and outstanding balances for each counterparty, and periodically monitors the credit status of our major counterparties.

The Group enters into derivative transactions only with creditworthy financial institutions and the impact of such transactions on credit risk is limited.

The Group does not have excessively concentrated credit risk with respect to specific counterparties or groups to which such counterparties belong.

(4) Management of liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to make payments when due to fulfill obligations to repay financial liabilities upon maturity.

The Group manages liquidity risk by preparing adequate funds for repayments, securing credit lines available from financial institutions as needed, and continuously monitoring cash flow plans and results.

(5) Management of market risk

(i) Management of foreign exchange risk

The Group's assets and liabilities denominated in foreign currencies related to its overseas business activities are exposed to the risk of market fluctuations in foreign exchange rates. The Group uses derivative instruments to manage such risk. Derivative instruments are used based on the internal policy and management regulations, and are not held for speculative purposes. The Group believes the credit risk of derivatives held by the Group is considered to be negligible because the counterparties to these derivatives are all international financial institutions with high credit ratings.

(ii) Management of interest rate risk

The Group pays interest on the funds which procure for working capital and capital investment in conducting its business activities. Interest rate sensitivity analysis is not performed because the impact of interest rate payments on the Group is minimal, and the current interest rate risk is not considered material to the Group.

(iii) Management of market price fluctuation risk

The Group holds marketable equity securities and is exposed to the risk of market price fluctuations. The Group reviews its holdings of these marketable equity securities on an ongoing basis by regularly monitoring their fair value and the financial condition of the issuers. All of the equity securities are designated as financial assets measured at fair value through other comprehensive income, and there is no effect on profit or loss from changes in the share price.

## 2. Fair Values of Financial Instruments

### (1) Calculation method of fair value

The calculation method of fair value of financial instruments is as follows.

(Cash and cash equivalents; trade and other receivables; trade and other payables; short-term bank loans)

These accounts have short maturities and the carrying values approximate fair value.

(Equity securities)

Listed equity securities are measured using quoted market prices. Unlisted equity securities are valued by comparable multiple valuation method using financial indicators or other appropriate valuation methods.

(Derivatives)

Derivatives are valued at fair value as quoted by correspondent financial institutions.

(Long-term borrowings)

The fair value of the Group's long-term borrowings is calculated by discounting estimated future cash flows using the interest rate that would apply to a new loan with the same remaining maturity and similar terms and conditions. Their fair values are measured based on Level 2.

### (2) Financial instruments measured at amortized cost

The carrying amounts and fair values of financial instruments at amortized cost are as follows. Financial instruments whose carrying amount approximates their fair value in the Consolidated Statement of Financial Position are excluded from the table below.

(Millions of yen)		
	Carrying amount	Fair value
Financial assets measured at amortized cost		
Corporate bonds	138	134
Financial liabilities measured at amortized cost		
Long-term borrowings (including current portion)	8,655	8,670

### (3) Financial Instruments measured at fair value

The fair value of financial instruments is categorized into the following three levels depending on the observability and significance of inputs used in making fair value measurements.

Level 1: Fair value measured at quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value determined, either directly or indirectly, by using observable inputs other than Level 1.

Level 3: Fair value determined using valuation techniques based on unobservable inputs.

Transfers between levels of fair value hierarchy are recognized on the date of the event or change in circumstances which triggered the transfer. There were no material transfers between fair value at Level 1 and Level 2 during the current consolidated fiscal year.

The fair value hierarchy of the financial instruments at fair value are as follows.

(Millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss				
Derivatives	-	21	-	21
Equity securities	-	-	2,039	2,039
Mutual funds	263	-	-	263
Other	-	-	140	140
Financial assets measured at fair value through other comprehensive income				
Equity securities	34,860	-	851	35,711
Other	-	-	31	31
<b>Total</b>	<b>35,123</b>	<b>21</b>	<b>3,061</b>	<b>38,205</b>
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss				
Derivatives	-	11	-	11
<b>Total</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>

### Adjustments of financial instruments categorized at Level 3

The adjustments made for financial instruments categorized at Level 3 from balance at April 1, 2024 to balance at March 31, 2025 are as follows.

	(Millions of yen)	
	Equity securities	Others
Balance as of April 1, 2024	2,853	31
Total gains and losses		
Profit (loss) (Note)	151	(10)
Other comprehensive income	(304)	-
Purchases	-	75
Sales	(2)	-
Other	192	75
Balance as of March 31, 2025	2,890	171
Unrealized gain (loss) on assets and liabilities held at the end of period included in net income or loss (Note)	151	(10)

(Note) Gains and losses recognized as profit and loss are included in the “Finance income” and “Finance costs” of the Consolidated Statement of Profit or Loss.

### (NOTES TO INVESTMENT PROPERTY)

#### 1. Matters Regarding the Status of Investment Properties

The Company and some of its subsidiaries hold land and other assets for lease in Kyoto prefecture and other regions.

#### 2. Matters Regarding Fair Value of Investment Properties

	(Millions of yen)
Amount recorded in consolidated statement of financial position	Fair value
1,634	2,101

(Notes) 1. The amount recorded in the consolidated statement of financial position is the acquisition cost less accumulated depreciation and accumulated impairment loss.

2. The fair value of an investment property is based on real estate appraisals value by an outside real estate appraiser and the valuation is based on market evidence which reflects the transaction prices of similar assets in accordance with the valuation standards of the country in which the property is located.

### (NOTES TO REVENUE RECOGNITION)

#### 1. Breakdown of Revenue

Breakdown of the main product revenue are as follows:

	(Millions of yen)
	Total
Innerwear	
Foundation and lingerie	141,634
Nightwear	6,401
Children’s underwear	613
Subtotal	148,648
Outerwear/Sportswear	14,369
Hosiery	1,471
Other textile goods and related products	5,587
Others	3,821
Total	173,896

#### 2. Contract Liabilities

Contract liabilities from contracts with customers during the current consolidated fiscal year are as follows.

	(Millions of yen)
	Fiscal year ended March 31, 2025
Contract liabilities	1,246

Revenue recognized for the fiscal year ended March 31, 2025, which had been included in the contract liabilities balance at the beginning of the fiscal year was 1,011 million yen.

Contract liabilities consist mainly of customer loyalty points.

Some of the subsidiaries have customer loyalty programs as part of the promotion and provide loyalty points to customers when they purchase the products. The points provided to customers are identified as performance obligations, which are satisfied when the points are redeemed for the products. The points are expected to be used or expire over the next two years. The unredeemed points as of the end of year are recorded as contract liabilities, which are estimated based on actual redemption amounts from previous fiscal year. Contract liabilities are included in “Other current liabilities.”



3. Transaction price allocated to residual performance obligations

Since there is no significant transaction whose individual expected contract period exceeds 1 year, the Group has applied the practical expedient method and omitted the information regarding residual performance obligations.

**(NOTES TO PER SHARE INFORMATION)**

Equity attributable to owners of parent per share	¥3,713.17
Basic loss per share	¥129.65
Diluted loss per share	¥129.16

**(NOTES TO BUSINESS COMBINATION)**

1. Outline of and main reasons for business combination

Through the Company's UK consolidated subsidiary Wacoal Europe Ltd., we have acquired all of the shares of Bravissimo Group Limited, which engages in the planning, development, and sale of women's innerwear and swimwear through its own directly managed stores and e-commerce platform, for 8,644 million yen, making it a wholly owned subsidiary. This acquisition will not only enable us to establish a dominant position in the large cup size market, which has been our traditional strength, but also increase our competitive advantage at each stage of product design, planning and development, production and logistics by combining the excellent characteristics of both companies. In addition, by utilizing both wholesale and retail sales channels, we will expand our contact points with consumers and lead to growth in the UK, Europe, and U.S. which are the main markets for our overseas business.

In addition, the allocation of the acquisition cost has not been finalized because the calculation of the fair value of the identifiable assets acquired and the liabilities assumed at the acquisition date is not yet complete. Accordingly, the amount is provisional and subject to revision, and we are evaluating it with provisional amounts. As a result of the provisional allocation, we have recognized goodwill of 3,178 million yen, brand value of 1,907 million yen, and customer related intangible assets of 148 million yen. These have been classified as goodwill and intangible assets in the consolidated statement of financial position, and are being amortized over the estimated useful lives of 15 years for brands and 12 years for customer related intangible assets.

2. Date of acquisition  
September 26, 2024

3. Method of acquisition of control over the acquired company  
Acquisition of shares for cash consideration

**(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)**

Purchase of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2025 regarding matters related to the purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

1. Reason for Purchase of Treasury Stock  
To improve shareholder returns and capital efficiency.

2. Details of Purchase

(1) Type of shares to be purchased:	Common stock of the Company
(2) Total number of shares to be purchased:	5,800,000 shares (at maximum)
(3) Aggregate purchase amount:	¥28,500 million (at maximum)
(4) Purchase period:	From May 19, 2025 through March 24, 2026

Cancellation of Treasury Stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2025 regarding matters related to cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

(1) Type of shares to be cancelled:	Common stock of the Company
(2) Number of shares to be cancelled:	3,000,000 shares
(3) Date of cancellation:	May 23, 2025

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**NON-CONSOLIDATED BALANCE SHEETS**

(Millions of yen)

ASSETS	Current Fiscal Year as of March 31, 2025
Accounts	Amount
<b>Current assets:</b>	<b>4,781</b>
Cash and bank deposits	2,951
Short-term loans receivable from subsidiaries and affiliated companies	6,795
Other	83
Allowance for doubtful receivables	(5,049)
<b>Fixed assets</b>	<b>137,597</b>
<b>Property, Plant and Equipment</b>	<b>34,287</b>
Buildings	17,728
Structures	245
Machinery	28
Equipment	1,288
Land	14,983
Construction in progress	13
<b>Intangible assets</b>	<b>232</b>
Leasehold rights	228
Other	3
<b>Investments and Other assets</b>	<b>103,077</b>
Investments	233
Investments in subsidiaries and affiliated companies	99,588
Long-term loans receivable from subsidiaries and affiliated companies	2,853
Deferred income taxes	33
Other	367
<b>Total assets</b>	<b>142,378</b>

(Notes)     Amounts less than ¥1 million are rounded down to the nearest million.

(Millions of yen)

LIABILITIES	Current Fiscal Year as of March 31, 2025
Accounts	Amount
<b>Current liabilities:</b>	<b>28,212</b>
Trade notes payable	534
Short-term bank loans	5,000
Short-term borrowings from subsidiaries and affiliated companies	18,599
Current portion of long-term borrowings	300
Other payables	909
Accrued expenses	13
Income taxes payable	2,735
Accrued bonuses	60
Other	61
<b>Long-term liabilities</b>	<b>2,562</b>
Long-term borrowings	2,553
Other	9
<b>Total liabilities</b>	<b>30,775</b>
<b>Shareholders' Equity</b>	<b>111,234</b>
<b>Common stock</b>	<b>13,260</b>
<b>Additional paid-in capital</b>	<b>4,638</b>
Other capital surplus	4,638
<b>Retained earnings</b>	<b>111,304</b>
Legal reserve	3,315
Other retained earnings	107,989
Reserve for deferred gain on sale of property	4,305
General reserve	80,000
Retained earnings carried forward	23,683
<b>Treasury stock, at cost</b>	<b>(17,968)</b>
<b>Valuation and translation adjustments</b>	<b>1</b>
Valuation difference on available-for-sale securities	1
<b>Stock Acquisition Rights</b>	<b>367</b>
<b>Total net assets</b>	<b>111,602</b>
<b>Total liabilities and Net assets</b>	<b>142,378</b>

(Notes) Amounts less than ¥1 million are rounded down to the nearest million.

**NON-CONSOLIDATED STATEMENT OF INCOME**

(Millions of yen)

Accounts	Current Fiscal Year (From April 1, 2024 to March 31, 2025)	
	Amount	
Operating revenue		
Rental income	4,076	
Dividend income	9,243	
Other	372	13,693
Operating costs and expenses		
Cost of rent	1,871	1,871
<b>Operating gross income</b>		<b>11,821</b>
Selling, general and administrative expenses	2,647	2,647
<b>Operating income</b>		<b>9,174</b>
Non-operating income		
Interest income	120	
Government grant income	50	
Other	27	197
Non-operating expenses		
Interest expenses	141	
Provision of allowance for doubtful receivable for subsidiaries and affiliated companies	193	
Commission expenses	78	
Other	39	452
<b>Ordinary income</b>		<b>8,919</b>
Extraordinary income		
Gain on sales of fixed assets	9,022	
Gain on sale of shares of subsidiaries and affiliated companies	1,300	10,323
Extraordinary loss		
Loss on sale and disposal of fixed assets	56	
Impairment losses	338	
Loss on valuation of shares of subsidiaries and affiliated companies	1,636	2,031
<b>Income before income taxes</b>		<b>17,211</b>
Income taxes		
Current	2,642	
Deferred	(1,133)	1,509
<b>Net income</b>		<b>15,702</b>

(Notes) Amounts less than ¥1 million are rounded down to the nearest million.

**NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**Year ended March 31, 2025**

(Millions of yen)

Items	Shareholders' equity							Total shareholders' equity
	Share capital	Capital surplus	Retained earnings				Treasury stock, at cost	
		Capital reserve	Legal reserve	Other retained earnings				
				Reserve for deferred gain on sale of property	General reserve	Retained earnings carried forward		
Balance as of April 1, 2024	13,260	20,728	3,315	4,536	80,000	13,212	(17,258)	117,794
Changes during current fiscal year								
Reversal of reserve for deferred gain on sale of property				(231)		231		-
Cash dividends						(5,462)		(5,462)
Net income						15,702		15,702
Repurchase of treasury stock							(17,008)	(17,008)
Disposal of treasury stock		0					0	0
Cancellation of treasury stock		(16,011)					16,011	-
Restricted stock compensation		20					39	60
Exercise of stock acquisition rights		(99)					247	148
Net change in items other than shareholders' equity								
Total changes during current fiscal year	-	(16,090)	-	(231)	-	10,470	(709)	(6,560)
Balance as of March 31, 2025	13,260	4,638	3,315	4,305	80,000	23,683	(17,968)	111,234

(Millions of yen)

Items	Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities		
Balance as of April 1, 2024	-	515	118,310
Changes during current fiscal year			
Reversal of reserve for deferred gain on sale of property			-
Cash dividends			(5,462)
Net income			15,702
Repurchase of treasury stock			(17,008)
Disposal of treasury stock			0
Cancellation of treasury stock			-
Restricted stock compensation			60
Exercise of stock acquisition rights		(148)	0
Net change in items other than shareholders' equity	1		1
Total changes during current fiscal year	1	(148)	(6,707)
Balance as of March 31, 2025	1	367	111,602

(Note) Amounts less than ¥1 million are rounded down to the nearest million.

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

### (NOTES TO MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES)

#### 1. Valuation Standards and Method of Valuing Assets

Valuation standards and method of valuing securities

Investments in subsidiaries and affiliated companies are stated at cost based on the moving-average cost method. Marketable and investment securities are stated at market value determined based on market prices, on the balance sheet date. Nonmarketable investment securities are stated at cost based on the moving-average method. Net unrealized gain (loss) on available-for-sale securities is reported directly in net assets. Cost of investment securities sold is determined based on the moving-average method.

#### 2. Depreciation Method of Fixed Assets

##### (1) Depreciation method of property, plant and equipment

The straight-line method is used.

Useful lives of major items are as follows:

Buildings and structures	2 to 50 years
Machinery	17 years
Equipment (excluding certain paintings)	3 to 15 years

##### (2) Amortization method for intangible assets

The straight-line method is used.

Internal use of software is amortized based on an estimated useful life of five years.

#### 3. Basis of Accounting for Allowances

##### (1) Allowance for doubtful receivables

In order to reserve for losses on bad debts, an allowance for doubtful receivables is stated in an amount considered to be appropriate based on the Company's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

##### (2) Accrued bonuses

In order to reserve bonuses to employees, accrued bonuses are calculated based on the anticipated amount to be paid.

##### (3) Accrued officers' bonuses

In order to reserve bonuses to officers, accrued officers' bonuses are calculated based on the anticipated amount to be paid.

#### 4. Basis for Recording Revenues and Expenses

Except for interest income and dividend income in accordance with ASBJ Statement No. 10, Accounting Standard for Financial Instruments, and revenue in accordance with ASBJ Statement No. 13, Accounting Standard for Lease Transactions, the Company recognizes revenue based on the following five steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Measure the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognized revenue when (or as) the entity satisfies performance obligations

The Company primarily provides management guidance services to Wacoal Corp., which are recorded in operating revenue (other). The performance obligations are satisfied over time and the Company recognizes revenue evenly throughout the contract period measured based on the amount of consideration promised in the contract with the customer. Revenue from sales of the services is recognized when performance obligations are satisfied, which is upon delivery of services. The Company invoices when it satisfies the performance obligation and receives cash payment shortly thereafter.

### (NOTES TO SIGNIFICANT ACCOUNTING ESTIMATE)

The following is a list of items of which amount has been prepared using accounting estimate and recorded in the consolidated financial statements for the current fiscal year that may have a material effect on the consolidated financial statements for the next fiscal year.

Valuation of investment security in Wacoal Europe Ltd. ¥17,405 million

Investments in securities whose market value is extremely difficult to measure are recorded at cost. If the value in substance decreases dramatically, the carrying amount shall be reduced to the value in substance and the loss shall be accounted for through profit or loss. To measure the value in substance, the Group used the expected present value of future cash flows and incorporated relevant unobservable inputs, such as management's internal assumptions about future cash flows and appropriately risk-adjusted discount rates.

Such assumptions include fluctuations in business activities, tax rates and risk-adjusted discount rates. There is a possibility that impairment would be recognized if the forecast of business results deteriorate or the tax rates or risk-adjusted discount rates increase.

Based on the aforementioned impairment assessment, the Group recorded no impairment on investment security in Wacoal Europe Ltd. in the fiscal year ended March 31, 2025.

**(NOTES TO THE NON-CONSOLIDATED BALANCE SHEETS)**

	(Millions of yen)
1. Accumulated depreciation of property, plant and equipment:	35,143
2. Receivables from subsidiaries and affiliated companies and payables to subsidiaries and affiliated companies	
Short-term receivable:	6,807
Long-term receivable:	2,853
Short-term payable:	18,601
3. Liabilities for guarantees	
The Company provides guarantees for loans to a certain subsidiary from financial institutions. Wacoal Europe Ltd.	3,876
The Company provides guarantees for payables of electronically recorded monetary claims of a certain subsidiary. Lecien Corporation:	17

**(NOTES TO THE NON-CONSOLIDATED STATEMENTS OF INCOME)**

	(Millions of yen)
1. Transactions with subsidiaries and affiliated companies	
Operating revenue:	13,633
Other operating transactions:	52
Non-operating transactions:	149
1. Gain on sale of fixed assets is primarily due to the sale of real estate conducted as part of the initiatives to “promote asset reduction” disclosed in the revised medium-term management plan.	
2. Gain on sale of shares of subsidiaries is related to the partial transfer of shares of our former subsidiary, Nanasai Co., Ltd..	
3. Loss on valuation of shares of subsidiaries and associates is related to impairment of shares of Lecien Corporation and Wacoal Distribution Corp..	

**(NOTES TO THE NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS)**

Number of treasury stocks as of March 31, 2025

Common stock:	3,840,910 shares
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**(NOTES TO TAX EFFECT ACCOUNTING)**

Breakdown of deferred tax assets and deferred tax liabilities	(Millions of yen)
Deferred tax assets:	
Valuation loss on investments in subsidiaries and affiliated companies	3,311
Accrued bonuses	18
Depreciation, amortization and impairment loss	363
Allowance for doubtful accounts	1,591
Others	1,416
Subtotal of deferred tax assets	6,701
Valuation allowance	(4,716)
Total deferred tax assets:	1,984
Deferred tax liabilities:	
Reserve for deferred gain on sale of property	1,947
Others	3
Total deferred tax liabilities:	1,950
Net deferred tax liabilities:	33

**(NOTES TO RELATED-PARTY TRANSACTIONS)****1. Subsidiaries, etc.**

Type	Name of Company	Company's Interest (%)	Relationship with Related Party	Nature of Transaction	Transaction Amount (Millions of yen)	Account	Balance as of the Fiscal Year End (Millions of yen)
Subsidiary	Wacoal Corp.	100% direct	Holdings of shares; dual appointments; managerial guidance; and lease of movables and real estate	Repayment of funds (Note 1)	9,167	Short-term borrowings from subsidiaries and affiliated companies	15,728
				Payment of interest (Note 1)	27	—	—
				Receipt of dividends	8,900	—	—
				lease of movables and real estate (Note 2)	2,966	—	—
				Fee for management guidance (Note 3)	372	—	—
Subsidiary	Peach John Co., Ltd.	100% direct	Holdings of shares; and dual appointments	Repayment of funds (Note 1)	314	Short-term borrowings from subsidiaries and affiliated companies	1,582
				Payment of interest (Note 1)	3	—	—
Subsidiary	Wacoal Europe Ltd.	100% direct	Holdings of shares; dual appointments; loan; and Guarantee for liabilities	Loan (Note 4)	2,853	Long-term loans receivable from subsidiaries and affiliated companies	2,853
				Receipt of interest (Note 4)	85	—	—
				Guarantee for liabilities (Note 5)	3,876	—	—
				Acceptance of guarantee fee (Note 5)	1	—	—
Subsidiary	Unenana Cool Corp.	100% indirect	Loan	Loan (Note 4)	75	Short-term loans receivable from subsidiaries and affiliated companies	3,188
				Receipt of interest (Note 4)	10	—	—
Subsidiary	Ai Co., Ltd.	100% indirect	Dual appointments; and loan	Repayment of funds (Note 4)	34	Short-term loans receivable from subsidiaries and affiliated companies	2,755
				Receipt of interest (Note 4)	12	—	—

**Details and Policy on Determination of Transaction Terms**

(Note 1) The terms and conditions of borrowings and interest rates are determined upon consideration of market interest rates.

(Note 2) The price and other terms of transactions are determined through negotiation in view of the market conditions.

(Note 3) The managerial guidance fees are determined each fiscal year based on negotiation.

(Note 4) The terms and conditions of loans and interest rates are determined upon consideration of market interest rates.

(Note 5) The Company guarantees the loans of the subsidiary and charges a guarantee fee of 0.1% per year.

(Note 6) The transaction amount does not include consumption taxes, while the balance at the end of the fiscal year includes consumption taxes.

(Note 7) A total amount of ¥5,049 million in allowance for doubtful accounts is provided for doubtful accounts for the subsidiaries. Also, we recorded a total of ¥193 million for provision of allowance with respect to doubtful accounts for subsidiaries and affiliated companies for the current fiscal year.

**(NOTES TO REVENUE RECOGNITION)****Basic Information to Understand Revenues from Contracts with Customers**

As described in “4. Basis for Recording Revenues and Expenses” of “(NOTES TO MATTERS RELATED TO SIGNIFICANT ACCOUNTING POLICIES).”

**(NOTES TO PER SHARE INFORMATION)**

Net assets per share: ¥2,153.26

Net income per share: ¥291.29

Diluted net income per share: ¥289.82



## **(NOTES TO SIGNIFICANT SUBSEQUENT EVENTS)**

### **Purchase of Treasury Stock**

The Board of Directors adopted a resolution at a meeting held on May 15, 2025 regarding matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

1. Reason for Purchase of Treasury Stock  
To enhance shareholder returns and improve capital efficiency.

2. Details of Purchase

- |   |  |
|---|--|
| (1) Type of shares to be purchased:         | Common stock of the Company              |
| (2) Total number of shares to be purchased: | 5,800,000 shares (at maximum)            |
| (3) Aggregate purchase amount:              | ¥28,500 million (at maximum)             |
| (4) Purchase period:                        | From May 19, 2025 through March 24, 2026 |

### **Cancellation of Treasury Stock**

The Board of Directors adopted a resolution at a meeting held on May 15, 2025 regarding matters related to cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act.

- |                                       |                             |
|---------------------------------------|-----------------------------|
| (1) Type of shares to be cancelled:   | Common stock of the Company |
| (2) Number of shares to be cancelled: | 3,000,000 shares            |
| (3) Date of cancellation:             | May 23, 2025                |

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 15, 2025

To the Board of Directors of  
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Koichiro Tsukuda

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Wacoal Holdings Corp. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of March 31, 2025, and the consolidated statement of profit or loss and consolidated statement of changes in equity for the fiscal year from April 1, 2024 to March 31, 2025, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under

Designated International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under Designated IFRS Accounting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 15, 2025

To the Board of Directors of  
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Koichiro Tsukuda

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the non-consolidated financial statements of Wacoal Holdings Corp. (the "Company"), namely, the non-consolidated balance sheet as of March 31, 2025, and the non-consolidated statement of income and non-consolidated statement of changes in equity for the 77th fiscal year from April 1, 2024 to March 31, 2025, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the non-consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

## **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. In addition, the other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

(TRANSLATION)

## AUDIT REPORT

We, the Audit & Supervisory Board, have received reports on the audit procedures and results concerning the execution of duties by the Directors during the 77th fiscal year, from April 1, 2024 to March 31, 2025, prepared by each of the Audit & Supervisory Board Members. After review of the reports, we have prepared this Audit Report as follows:

### 1. Procedures and details of the audits by the Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established policy on audits and the assignment of work responsibilities, received reports on the audits and results from each of the Audit & Supervisory Board Members, received reports regarding the execution of duties by Directors and the Accounting Auditor, and requested reports whenever necessary.
- (2) In conformity with the audit standards prescribed by the Audit & Supervisory Board and in accordance with the policy on audits and the assignment of work responsibilities, each of the Audit & Supervisory Board Members has made efforts to communicate with the Directors, internal audit department, and other employees and maintain an environment for information gathering and auditing and have conducted audits as follows:
  - (i) We attended meetings of the Board of Directors and other important meetings, received reports regarding the execution of duties by the Directors and employees, reviewed important approval documents and others, investigated the conduct of the business and the assets and properties of the Company at the head office and other principal offices, and whenever necessary, requested explanations. With respect to subsidiaries, we made efforts to communicate and exchange information with the Directors and Audit & Supervisory Board Members of the subsidiaries and, whenever necessary, requested reports on the business from such subsidiaries.
  - (ii) With respect to the resolution of the Board of Directors concerning the establishment of the system required under Paragraphs 1 and 3, Article 100 of the Enforcement Regulations of the Companies Act, as described in the business report, in order to ensure that the execution of duties by Directors is in compliance with laws and regulations and the Company's Articles of Incorporation and that the business conduct of the business group comprised of a joint stock corporation (kabushiki kaisha) and its subsidiaries is appropriate, as well as the system established pursuant to such resolution (internal control system), we have received reports regularly from the Directors and other employees on their establishment and operation, requested explanations whenever necessary, and expressed our opinion.
  - (iii) We have monitored and inspected whether the Accounting Auditor has maintained independence and whether the audits have been conducted appropriately, received reports from the Accounting Auditor on the execution of duties, and requested explanations whenever necessary. The Accounting Auditor has reported to us that a "system for ensuring the appropriate execution of duties" (matters stipulated in each Item of Article 131 of the Ordinance on Company Accounting under the Companies Act) has been established pursuant to the "Quality Control Standard for Audits" (Business Accounting Council), and we requested explanations whenever necessary.

Based on the above, we have examined the business report and the supplementary statement, financial statements (the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statement of changes in net assets, and the related notes), and the accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity, and the related notes) for the 77th fiscal year.

## 2. Results of the audit

### (1) Results of the audit on the business report

- (i) The business report and its supplementary statement present fairly the Company's affairs in conformity with the applicable laws and regulations of Japan and the Company's Articles of Incorporation.
- (ii) With regard to the execution of duties by the Directors, there has been no misconduct or material matters that would constitute a violation of any laws or regulations of Japan or the Company's Articles of Incorporation.
- (iii) In our opinion, the details of the resolution of the Board of Directors regarding the internal control system are fair, and we have nothing to point out with regard to the details of the business report and execution of duties by Directors concerning said internal control system.

### (2) Results of the audit of the non-consolidated financial statements and the accompanying supplementary schedules

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

### (3) Results of the audit of the consolidated financial statements

In our opinion, the audit procedures and audit results received from Deloitte Touche Tohmatsu LLC, the Accounting Auditor, are appropriate.

May 22, 2025

Wacoal Holdings Corp.  
Audit and Supervisory Board

Shinichi Kitagawa (Seal)  
Audit and Supervisory Board Member

Katsuhiro Okamoto (Seal)  
Audit and Supervisory Board Member

Mitsuhiro Hamamoto (Seal)  
Audit and Supervisory Board Member

Hitoshi Suzuki (Seal)  
Audit and Supervisory Board Member

Motoko Tanaka (Seal)  
Audit and Supervisory Board Member

(Note)

Mr. Mitsuhiro Hamamoto, Mr. Hitoshi Suzuki, and Ms. Motoko Tanaka, Audit & Supervisory Board Members, are External Audit and Supervisory Board Members (Independent) as stipulated by Item 16 of Article 2 and Paragraph 3 of Article 335 of the Companies Act.