Annual Securities Report

(The 78th Fiscal Year)
From April 1, 2025 to March 31, 2026

WACOAL HOLDINGS CORP.

29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto, Japan

E00590

The 78th Fiscal Year (from April 1, 2025 to March 31, 2026)

Annual Securities Report

1. This is an English translation of the Annual Securities Report filed pursuant to Paragraph 1, Article 24 of the Financial Instruments and Exchange Act via the Electronic Disclosure for Investors' Network ("EDINET") as set forth in Article 27-30-2 of the same Act.
2. This does not contain English translations of the attachments to the Annual Securities Report filed as set out in the above, other than the audit report, the English translation of which is included at the end of this document.

WACOAL HOLDINGS CORP.

Certain References and Information

This report is prepared for overseas investors and compiled based on the contents of the Annual Securities Report ("Yukashoken Hokokusho") of WACOAL HOLDINGS CORP. filed with the Director of the Kanto Regional Finance Bureau of Japan on June 26, 2026.

As used in this report, unless the context otherwise requires, "the Company" and "Wacoal Holdings" refer to Wacoal Holdings Corp., and "Wacoal," "we," "us," "our" and similar terms refer to Wacoal Holdings Corp. and its consolidated subsidiaries. References to "U.S. dollars" or "$" are to the currency of the United States and references to "yen" or "¥" are to the currency of Japan.

All financial statements and information contained in this report have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") except where otherwise noted.

A Cautionary Note on Forward-Looking Statements

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our companies and our industry. You can identify these statements by the fact that they do not relate strictly to historic or current facts. The forward-looking statements discuss future expectations, identify strategies, contain projections of results of operation or of financial position, or state other "forward-looking" information. Forward-looking statements are contained in the sections entitled "II. Operating and Financial Review and Prospects, 1.【Management Policy, Business Environment and Management Issues】 and 2. 【Sustainability Approaches and Initiatives】" and elsewhere in this report.

The forward-looking statements are subject to various risks and uncertainties. Information contained in the sections listed above and elsewhere in this annual report identifies factors that could cause our actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement.

We undertake no obligation to update any forward-looking statements contained in this annual report, whether as a result of new information, future events or otherwise.

Contents

【Cover】

【Document Filed】	Annual Securities Report (“Yukashoken Hokokusho”)
【Applicable Law】	Paragraph 1, Article 24 of the Financial Instruments and Exchange Act
【Filed to】	Director-General of the Kanto Regional Finance Bureau
【Filing Date】	June 26, 2026
【Fiscal Year】	The 78th Fiscal Year (from April 1, 2025 to March 31, 2026)
【Company Name】	*KABUSHIKI KAISHA* WACOAL HOLDINGS
【Company Name in English】	WACOAL HOLDINGS CORP.
【Position and Name of Representative】	Masaaki Yajima, Representative Director, President and CEO (Group CEO)
【Address of Head Office】	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto
【Phone No.】	Kyoto (075) 682-1018
【Contact Person】	Shimpei Yuguchi, General Manager of Accounting Department
【Contact Address】	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto
【Phone No.】	Kyoto (075) 682-1018
【Contact Person】	Shimpei Yuguchi, General Manager of Accounting Department
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I【Information on Wacoal Holdings Corp. and its consolidated subsidiaries】

I.【Overview of Wacoal Holdings Corp. and its consolidated subsidiaries】

1.【Key Financial Data】

(1) Consolidated Financial Data, etc.

(Millions of yen, unless otherwise stated)

Fiscal Year		International Financial Reporting Standards ("IFRS Accounting Standards")				
		78th	77th	76th	75th	74th
Year-End		March 2026	March 2025	March 2024	March 2023	March 2022
Revenue		171,510	173,896	187,208	188,592	172,072
Profit (loss) before tax		19,653	5,680	(8,290)	(699)	4,083
Profit (loss) attributable to owners of parent		13,124	7,218	(8,632)	(1,643)	1,732
Comprehensive income attributable to owners of parent		35,049	2,629	16,645	4,169	10,476
Equity attributable to owners of parent		209,598	192,047	211,829	210,197	217,990
Total assets		292,315	272,745	294,029	285,659	299,177
Equity attributable to owners of parent per share	(yen)	4,239.69	3,717.58	3,846.66	3,623.29	3,546.96
Earnings per share attributable to owners of parent: Basic (loss)	(yen)	261.65	133.90	(151.62)	(27.44)	27.83
Earnings per share attributable to owners of parent: Diluted (loss)	(yen)	261.00	133.39	(151.62)	(27.44)	27.71
Ratio of equity attributable to owners of parent to total assets	(%)	71.7	70.4	72.0	73.6	72.9
Ratio of profit attributable to owners of parent to equity attributable to owners of parent	(%)	6.5	3.6	(4.1)	(0.8)	0.8
Price earnings ratio	(times)	15.12	39.28	–	–	66.19
Net cash provided by operating activities		8,487	4,965	11,291	7,334	16,622
Net cash (used in) provided by investing activities		36,097	9,382	14,048	3,902	(3,042)
Net cash (used in) provided by financing activities		(26,286)	(22,952)	(20,211)	(22,541)	(41,007)
Cash and cash equivalents, end of year		44,170	23,419	33,547	26,781	37,485
Number of employees [Average number of part-time employees, etc.]	(number of persons)	14,784 [381]	16,124 [324]	17,408 [348]	19,147 [482]	19,717 [730]

(Notes)
1. The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) from the 75th fiscal year.
2. Price earnings ratios for the 75th fiscal year and 76th fiscal year are not shown due to basic loss per share for the fiscal year.
3. IAS 12, "Income Taxes" (revised in May 2021) has been adopted from the beginning of the 76th fiscal year. The adoption has been applied retrospectively to financial results for the 75th fiscal year shown.
4. The measurement period adjustments related to business combinations implemented in the 77th fiscal year have been finalized in the 78th fiscal year, and associated key financial data of the 77th fiscal year are based on the amounts that reflect the major review of the initial allocation of acquisition cost resulting from the finalization of such measurement period adjustments.

(Millions of yen, unless otherwise stated)

Fiscal Year		U.S. GAAP 74th
Year-End		March 2022
Revenue		172,860
Operating income		5,013
Net income attributable to Wacoal Holdings Corp.		4,608
Comprehensive income		11,929
Wacoal Holdings Corp. shareholders’ equity		223,005
Total assets		303,245
Shareholders’ equity per share	(yen)	3,628.56
Net income per share attributable to Wacoal Holdings Corp.	(yen)	74.04
Diluted net income attributable to Wacoal Holdings Corp. per share	(yen)	73.73
Shareholders’ equity ratio	(%)	73.5
Return on equity	(%)	2.1
Price earnings ratio	(times)	24.88
Net cash provided by operating activities		13,008
Net cash (used in) provided by investing activities		(3,096)
Net cash (used in) provided by financing activities		(36,349)
Cash and cash equivalents, end of year		37,982
Number of employees [Average number of part-time employees, etc.]	(number of persons)	19,717 [730]

(Note) The consolidated financial data up to the 74th fiscal year shown above have been prepared based on accounting principles generally accepted in the United States of America (U.S. GAAP).
Operating income is stated instead of ordinary income.

(2) Financial Data, etc. of the Company

(Millions of yen, unless otherwise stated)

Fiscal Year		78th	77th	76th	75th	74th
Year-End		March 2026	March 2025	March 2024	March 2023	March 2022
Operating revenue		7,728	13,693	7,276	6,772	6,196
Ordinary income		3,256	8,919	3,002	2,473	1,682
Net income		16,356	15,702	2,817	4,458	2,749
Common stock		13,260	13,260	13,260	13,260	13,260
Total number of issued and outstanding shares	(thousand shares)	52,500	55,500	61,000	64,500	65,589
Net assets		110,472	111,602	118,310	130,602	138,332
Total assets		152,649	142,378	154,073	154,705	165,180
Net assets per share	(yen)	2,231.76	2,153.26	2,139.06	2,242.19	2,241.50
Dividends per share (Interim dividends per share)	(yen)	100.00 (50.00)	100.00 (50.00)	100.00 (50.00)	80.00 (40.00)	50.00 (20.00)
Net income per share	(yen)	326.09	291.29	49.50	74.46	44.18
Diluted net income per share	(yen)	325.28	289.82	49.29	74.15	43.99
Shareholders' equity ratio	(%)	72.3	78.1	76.5	84.1	83.4
Return on equity	(%)	14.8	13.7	2.3	3.3	2.0
Price earnings ratio	(times)	12.13	17.48	75.03	33.40	41.69
Dividend payout ratio	(%)	30.7	34.3	202.0	107.4	113.2
Number of employees [Average number of part-time employees, etc.]	(number of persons)	103 [–]	89 [–]	98 [–]	112 [–]	90 [–]
Total shareholders' return (Benchmark: TOPIX incl. dividends)	(%)	178.7 (202.2)	220.9 (150.2)	160.7 (152.5)	106.6 (107.9)	77.1 (102.0)
Highest share price	(yen)	6,055	5,623	3,821	2,596	2,612
Lowest share price	(yen)	3,896	3,366	2,471	1,784	1,687

(Note) The highest and lowest share prices shown are market prices on the Prime Market of the Tokyo Stock Exchange since April 4, 2022, and on the First Section of the Tokyo Stock Exchange before then.

2.【History】

June 1946	Wako Shoji founded by late Koichi Tsukamoto
November 1949	Wako Shoji Corp. established with 1 million yen in capital (Nakagyo-ku, Kyoto)
June 1951	Head office relocated to Anekoji-agaru, Muromachi-dori, Nakagyo-ku, Kyoto; plant opened; self-manufacturing begins
November 1957	Company name changed to Wacoal Inc.
November 1959	Tokai Wacoal Sewing Corp. established as a domestic manufacturing company, and seven sewing subsidiaries established in Japan
June 1964	Company name changed to Wacoal Corp.
September 1964	Wacoal listed on the Second Section of the Tokyo and Osaka Stock Exchanges and the Kyoto Stock Exchange
August 1970	A joint venture company, Korea Wacoal Corp. established in Korea
October 1970	A joint venture company, Thai Wacoal Co., Ltd. (current Thai Wacoal Public Co., Ltd.) established in Thailand
October 1970	Taiwan Wacoal Co., Ltd. established as joint venture company
January 1971	Wacoal listed on the First Section of the Tokyo and Osaka Stock Exchanges
April 1978	Singapore office (current Wacoal Singapore Private Ltd.) opened
August 1979	Acquired shares from Torica Inc., a subsidiary of the Company, by way of capital increase through third-party allocation
June 1981	Wacoal America, Inc. (current Wacoal International Corp.) established as an overseas subsidiary
March 1982	Acquired shares from Nanasai Co., Ltd., a subsidiary of the Company, by way of capital increase through third-party allocation
February 1983	Wacoal Hong Kong Co., Ltd., established as an overseas subsidiary
December 1983	Acquired all shares in Teenform Inc., an American corporation (current Wacoal America, Inc.)
January 1986	Beijing Wacoal Co., Ltd. (current Wacoal China Co., Ltd.), established as joint venture company
April 1989	Philippine Wacoal Corp. established as joint venture company
January 1990	Wacoal France S.A. established as an overseas subsidiary (current Wacoal Europe SAS)
January 1991	Indonesia Wacoal Co., Ltd. (current PT.Indonesia Wacoal), established as a joint venture company
April 1993	Joint venture agreement for Korea Wacoal Corp. canceled; investment made into Shinyoung Inc. (current Shinyoung Wacoal Inc.) in Republic of Korea
January 1995	Guangdong Wacoal Inc. established as an overseas subsidiary
June 1997	Vietnam Wacoal Corp. established as an overseas subsidiary
December 2000	Joint venture agreement for Beijing Wacoal Co., Ltd. (current Wacoal China Co., Ltd.), canceled and reestablished as Beijing Wacoal Co., Ltd., a wholly owned subsidiary
May 2003	Wacoal Malaysia Sdn Bhd established as a joint venture company
August 2003	Dalian Wacoal Co., Ltd., established as an overseas subsidiary
October 2005	Company name changed to Wacoal Holdings Corporation pursuant to the transition to holding company system
	Wacoal Corp. established through incorporation-type company split
January 2008	Peach John Co., Ltd. (“Peach John”), became a wholly owned Wacoal subsidiary through share exchange
August 2009	Lecien Corp. became a wholly owned Wacoal subsidiary through stock exchange
April 2012	Eveden Group Limited (current Wacoal Europe Ltd.) became a wholly owned Wacoal subsidiary through the acquisition of all of the issued and outstanding shares of Eveden Group Limited
January 2016	A Tech Textile Co., Ltd. and one other company established as joint venture companies in Thailand
July 2019	Intimates Online, Inc. became a wholly owned Wacoal subsidiary through the acquisition of all of the issued and outstanding shares
April 2022	Wacoal Holdings Corp. has moved from the First Section of the Tokyo Stock Exchange to the Prime Market of the Tokyo Stock Exchange due to a revision of the Tokyo Stock Exchange’s market classification
July 2024	The shares of Nanasai Co., Ltd. transferred
September 2024	Bravissimo Group Limited became a wholly owned Wacoal subsidiary through the acquisition of all of the issued and outstanding shares

April 2025	The shares of Lecien Corporation transferred

3.【Business Overview】

Our corporate group consists of one holding company (Wacoal Holdings Corp.), 46 subsidiaries, and 7 associates, and is principally engaged in the manufacturing and wholesale of innerwear (primarily foundation wear, lingerie, nightwear, and children's underwear), outerwear, sportswear, and other textile goods and related products, as well as the retail of products to consumers. Our corporate group also conducts business in the restaurant, culture, and service businesses.

The Company falls under the definition of "Specified Listed Companies" as prescribed under Paragraph 2, Article 49 of the Cabinet Office Ordinance on Restrictions on Securities Transactions, etc. For this reason, whether an incident is minor (and not a material fact) under the insider trading restrictions will be determined on the basis of consolidated figures.

Segment information and a summary of the various companies that make up our corporate group are as follows:

(1) Wacoal Business (Domestic)

This segment is composed of Wacoal Holdings Corp. and 8 subsidiaries in Japan.

Wacoal Corp. engages in the planning and designing of the above-mentioned products, procurement of materials for the above-mentioned products, commercialization of semifinished products purchased from sewing companies in Japan and overseas and other business associates after inspection, and distribution to end consumers through department stores, general merchandisers, and other general retailers in Japan, as well as directly managed retail stores, E-commerce (EC) websites and distributors in Japan and overseas. Each of our 2 apparel manufacturing companies, including Wacoal Manufacturing Japan Corp., receives a supply of raw materials from Wacoal Corp., conducts sewing and processing of innerwear and sportswear, and delivers the semifinished products to Wacoal Corp. We have sales companies, including Une Nana Cool Corp. and Linge Noel Corp., which conduct sales of innerwear, outerwear products.

(2) Wacoal Business (Overseas)

This segment is composed of 38 companies, including our overseas subsidiaries and associates.

Among our 32 overseas subsidiaries, 9 companies are located in North and Central America; 7 companies are located in Europe; and 16 companies are located in Asia/Oceania. 6 overseas associates are located in Asia.

Among our 9 overseas subsidiaries in North and Central America, Wacoal Dominicana Corp., an apparel manufacturing company of innerwear products, ships its products to Wacoal America, Inc., a manufacturing and sales company, which supplies these products to end consumers through local department stores, specialty retail stores and EC websites. In addition, Eveden Inc., a sales company, distributes innerwear products, which are mainly supplied from Wacoal Lanka Private Ltd. and Wacoal EMEA Ltd.

Among our 7 overseas subsidiaries in Europe, Wacoal EMEA Ltd. sells products such as innerwear, which are supplied by Wacoal Lanka Private Ltd., to end consumers through department stores and specialty retail stores mainly in the United Kingdom. Bravissimo Limited mainly engages in the sales of products purchased from non-group companies.

Our 2 subsidiaries and 4 associates in Asia/Oceania are manufacturing and sales companies, which distribute products to end-consumers through their local department stores and specialty retail stores, and also distribute a part of their products to Wacoal Corp. and sales companies in Asia. Our sales companies include 6 subsidiaries, including Wacoal Singapore Private Ltd., Eveden Israel Ltd., and 1 associate. These sales companies distribute innerwear products, which are mainly supplied from the group companies to their local department stores, specialty retail stores and directly managed retail stores. Our 8 remaining subsidiaries include 4 apparel manufacturing companies producing innerwear, 2 raw materials manufacturing companies, 1 company that procures materials for subsidiaries and associates in Asia, and 1 investment company which makes investments in the local subsidiaries and local associates that manufacture and sell innerwear.

(3) Peach John Business

This segment is composed of 3 companies, including our domestic and overseas subsidiaries.

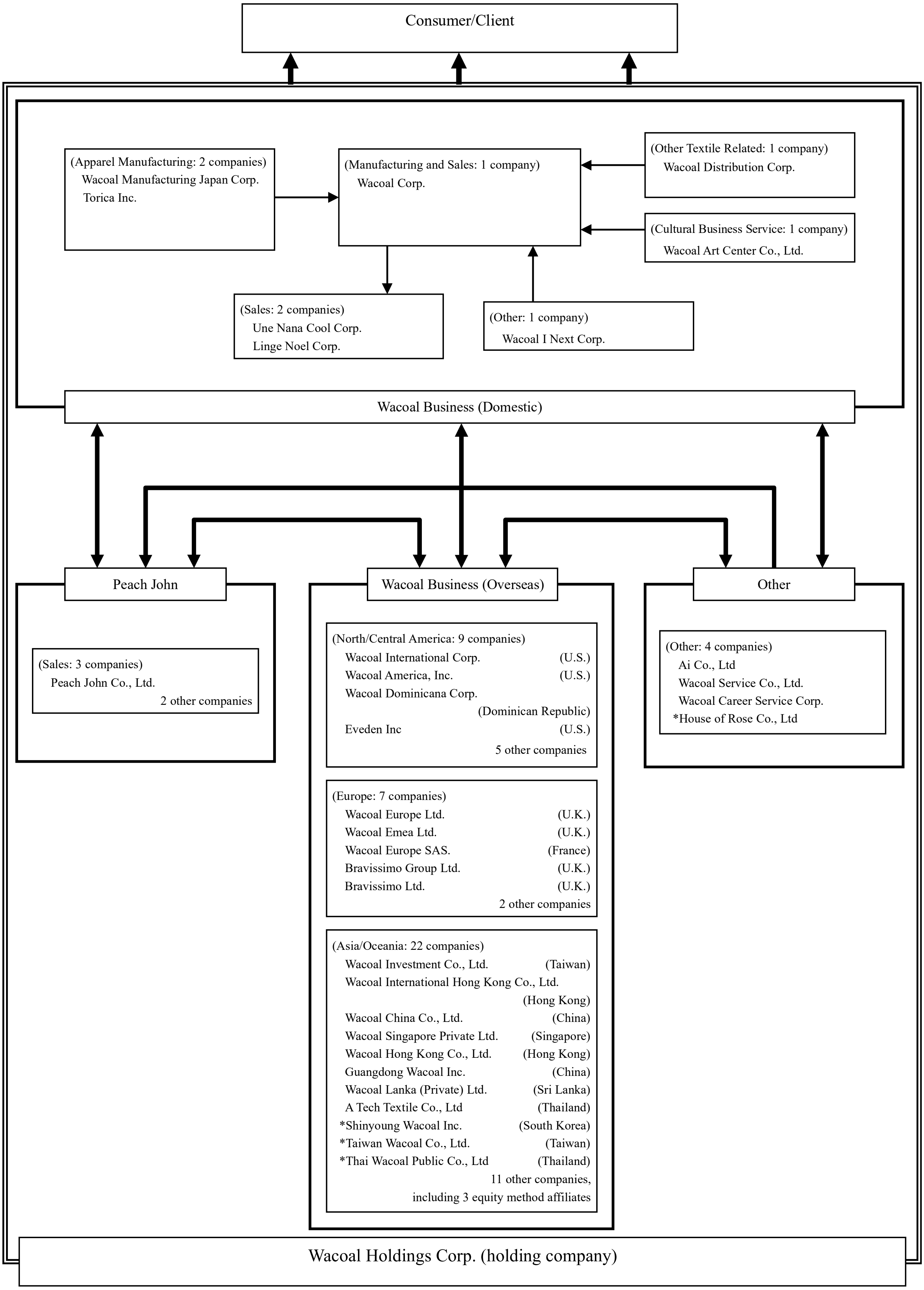
The 1 domestic subsidiary and 2 overseas subsidiaries are sales companies, and Peach John mainly engages in the sales of products purchased from non-group companies.

(4) Other

This segment is composed of a total of 4 companies, including 3 domestic subsidiaries and 1 domestic associate.

Among 3 domestic subsidiaries, Ai Co., Ltd. mainly engages in the sales of products purchased from non-group companies. Our 2 other subsidiaries engage in other textile-related business, real estate leasing business, and/or other businesses.

The business distribution diagram of these subsidiaries and associates follows on the next page:



Without mark: a consolidated subsidiary

*: an equity method affiliate

4. 【Information on Subsidiaries and Associated Companies】

Company Name	Location	Capital (Millions of yen)	Principal Business	Percentage of Voting Rights Owned or Held (%)	Relationship	
					Number of Company Officer(s) holding a Position as Officer in such Subsidiaries and Associated Company	Lease/Rent of Facilities
(Consolidated Subsidiary)						
*1, *5 Wacoal Corp.	Minami-ku, Kyoto	5,000	Wacoal Business (Domestic) (Research and development, product planning and sale of innerwear products, etc.)	100	3	Rent of office building
Peach John Co., Ltd.	Minato-ku, Tokyo	90	Peach John Business (Product planning and sale of innerwear products)	100	2	–
Wacoal Manufacturing Japan Corp.	Unzen-shi, Nagasaki	70	Wacoal Business (Domestic) (MTO (make to order) of innerwear products)	100 (100)	1	Rent of office building
Torica Inc.	Ibaraki-shi, Osaka	92	Same as above	60 (60)	1	–
*1 WACOAL INTERNATIONAL CORP.	New York, USA	20,000 thousand USD	Wacoal Business (Overseas) (a US holding company)	100 (100)	1	–
*5 WACOAL AMERICA, INC.	New York, USA	2,062 thousand USD	Wacoal Business (Overseas) (Product planning and sale of innerwear products)	100 (100)	–	–
Wacoal Dominicana Corp.	Santo Domingo, Dominican Republic	20 thousand USD	Wacoal Business (Overseas) (MTO of innerwear products)	100 (100)	–	–
Wacoal Europe Ltd.	Northampton-shire, UK	175 thousand GBP	Wacoal Business (Overseas) (a holding company)	100	1	–
Wacoal EMEA Ltd.	Northampton-shire, UK	250 thousand GBP	Wacoal Business (Overseas) (Product planning and sale of innerwear products)	100 (100)	–	–
Wacoal Europe SAS.	Saint-Denis, France	8 thousand EUR	Wacoal Business (Overseas) (Sale of innerwear products)	100 (100)	–	–
Bravissimo Group Limited	Warwickshire, UK	54 thousand GBP	Wacoal Business (Overseas) (a holding company)	100 (100)	–	–
Bravissimo Limited	Warwickshire, UK	49 thousand GBP	Wacoal Business (Overseas) (Product planning and sale of innerwear products)	100 (100)	–	–
Wacoal Hong Kong Co., Ltd.	Hong Kong	3,000 thousand HK$	Same as above	80 (80)	–	–
*1 WACOAL INTERNATIONAL HONG KONG CO., LTD.	Hong Kong	373,690 thousand HK$	Wacoal Business (Overseas) (Procurement of innerwear products and raw materials)	100 (100)	1	–
Vietnam Wacoal Corp.	Bien Hoa, Vietnam	54,604 million VND	Wacoal Business (Overseas) (MTO and sale of innerwear products)	100 (100)	–	–
Wacoal Investment Co., Ltd.	Taipei, Taiwan	59,000 thousand NT$	Wacoal Business (Overseas) (a Taiwan holding company)	100 (100)	1	–
Guandong Wacoal Inc.	Guangzhou, China	17,730 thousand RMB	Wacoal Business (Overseas) (MTO of innerwear products)	100 (100)	–	–
*1 Wacoal China Co., Ltd.	Beijing, China	189,364 thousand RMB	Wacoal Business (Overseas) (Product planning and sale of innerwear products)	100 (100)	1	–
*1 A TECH TEXTILE CO., LTD.	Bangkok, Thailand	1,000 million THB	Wacoal Business (Overseas) (Manufacturing of raw materials)	54 (54)	–	–
27 other companies						
(Equity Method Associate)						
Thai Wacoal Public Co., Ltd.	Bangkok, Thailand	120 million THB	Wacoal Business (Overseas) (Product planning, manufacturing and sale of innerwear products)	34 (34)	2	–
PT. Indonesia Wacoal	Bogor, Indonesia	2,500 million IDR	Same as above	42 (42)	1	–
Shinyoung Wacoal Inc.	Seoul, South Korea	4,500 million WON	Same as above	25	1	–
Taiwan Wacoal Co., Ltd.	Taoyuan, Taiwan	800 million NT$	Same as above	50 (50)	2	–
*4 House of Rose Co., Ltd.	Minato-ku, Tokyo	934	Other (Development and sale of cosmetics and healthcare products, etc.)	21	1	–
2 other companies						

(Notes) *1. Wacoal Corp., Wacoal International Corp., Wacoal International Hong Kong Co., Ltd, Wacoal China Co., Ltd. and A Tech Textile Co., Ltd. are categorized as a specified subsidiary under the Financial Instruments and Exchange Act.

2. The number in brackets under the “Percentage of Voting Rights Owned or Held” column means the percentage of indirect holding.
3. The names of operating segments are shown under the “Principal Business” column.
*4. House of Rose Co., Ltd. is a company that is obliged to file an annual securities report.
*5. Revenue (excluding the internal revenue recorded among consolidated subsidiaries) of Wacoal Corp. and Wacoal America, Inc. account for more than 10% in our consolidated revenue.

Key Income Summary

Wacoal Corp.
<Japanese GAAP>

(i) Revenue	84,525 million yen
(ii) Ordinary income	3,831 million yen
(iii) Net income	10,238 million yen
(iv) Net assets	105,580 million yen
(v) Total assets	133,829 million yen

Wacoal America, Inc.
(IFRS Accounting Standards)

(i) Revenue	18,674 million yen
(ii) Profit before tax	(622 million yen)
(iii) Profit	(421 million yen)
(iv) Total equity	25,518 million yen
(v) Total assets	34,391 million yen

II.【Operating and Financial Review and Prospects】

1.【Management Policy, Business Environment and Management Issues】

The group's management policy, business environment and issues to be addressed are described as follows.

Any forward-looking statement contained below is based on our judgments of our group as of the end of the current fiscal year. These future expectations and projections are subject to various factors and uncertainties, and may differ from actual outcome or results.

(1) Group Philosophy (Mission, spirit of foundation)

Our group, with the Company as its pure holding company, has been operating innerwear business and other businesses primarily in Japan, the United States, Europe, China and Southeast Asia with the goal of "contributing to society by helping people express their beauty." In 2022, we have introduced our "Mission," the social mission statement we aim to fulfill in today's society, defined as "committing to the enrichment of the lives of people around the world," "helping people realize their individuality, and their inner beauty, rather than uniform external beauty," and "striving to solve various social issues such as the environment and human rights."

Based on this "Mission" and our "Founding Principles" that we have inherited over our 70-year history, we will strive to enhance our corporate value by promoting sustainability management that aims to both solve social issues and achieve sustainable growth through our business activities, at the same time each of our operating companies utilizing its efforts to address complicated and diversified social issues as future growth opportunities.

In addition, our business activities are built upon accumulation of "mutual trust," the trust built between people, based on our listening to the voice of each and every one of our customers, and continuously transforming our business with a sense of humility. We aim to become an indispensable presence in society by building relationships of mutual trust with every stakeholder, including shareholders, customers, employees, business partners and local communities, through our continuous endeavors to enhance transparency in corporate management and to ensure fairness and independence.

Mission

WACOAL empowers people with the confidence that comes from looking and feeling their best. As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

At WACOAL, we value each person as an individual and believe in nurturing the body and mind so everyone can be their best.
When people with different backgrounds are empowered to come together and share ideas freely, we as a society will achieve true harmony.
By continuing to evolve, WACOAL leads the way to a world where kindness, inclusivity, and mutual respect are the standards, and the future is full of promise for everyone.

"Global Corporate Message"
Comfortable inside. Confident outside.

*"Global Corporate Message" above is our common corporate message shared within our group. For details, please see "About Wacoal Group" on our company website:
(https://www.wacoalholdings.jp/en/group/).

Founding Principles

Our Promise
We will contribute to society by helping women express their beauty.

Our Culture
We, the employees and management of WACOAL, will maintain a refined corporate culture based on mutual trust and will continually strive to make the Company a global leader in the industry.

Our Values
1. Create products loved by customers

2. Develop new products that meet the needs of the times
3. Conduct business in a fair manner with a forward focus
4. Build a better WACOAL through better human resources
5. Fear not failure and boast not of success

The Actions of Officers and Employees

"Think about the happiness of others"
Do you consider the happiness of people around you, including the customers, suppliers, and employees coworkers you work with?

"Embrace curiosity and use all five senses"
Have you noticed or discovered anything new lately?

"Consider the reason and purpose"
Do you understand the true meaning and root cause; why and what for?

"Respect diverse opinions"
Do you listen to people's opinions with humility and have constructive discussions without making assumptions?

"Make decisions for the future"
Do you act not only for immediate results, but also for a successful future?

"Give it a try first"
Do you give up out of fear of risks? Do you support people who take on challenges?

"Work together"
Do you strive for great success through teamwork and collaboration?

"Act with honesty and responsibility"
Do you communicate appreciation for others? Do you have blameless problem-solving approach?

(2) Medium- and Long-term Business Strategy frame "VISION 2030"

(i) Background and purpose of the formulation

With the aim of putting the WACOAL Way into practice, in June 2022 we have formulated "VISION 2030" by backcasting from long-term goals while keeping in mind the issues of our business, customer values, and changes in society and the environment. Based on this vision, our 2030 goal is to evolve and grow into a "Global Wacoal Group" by capitalizing on quality and our heightened sensibility to provide each customer with physical and emotional beauty and enrichment. In achieving sustained growth and enhancing enterprise value, we will improve domestic profitability and expand our business areas, expand overseas businesses and transform them into highly profitable structures, strengthen the Group's management capabilities, and shift to more capital-efficient management.

(ii) Overall picture

Corporate vision: Evolve and grow as "Global Wacoal Group" by providing both physical and emotional beauty and richness to individuals through high sensibility and premium quality

Definition of "Global Wacoal Group"

- All stakeholders have a high level of trust in the group's products, services, and initiatives relating to social issues
- We develop on a global scale with a competitive edge by making full use of the group's human resources, assets, know-how, and networks
- We continue creating new customer experiences with our innovative, high-quality products and services, and thus continue enriching and beautifying the lives of our customers around the world
- Our employees all around the world understand the group's goals and mission and work to make them a reality without being bound by conventional thinking or the past

Business domain: Widen and deepen the fields of "beauty," "comfort" and "health" with new products and services supported by our "high sensibility and premium quality"

Implementation policy: To implement the priority strategies for business expansion and profitability improvement, strengthening of our management base, and others to promote sustainability management that aims to achieve both resolution of social issues and sustainable growth

(iii) Quantitative targets (fiscal year ending March 31, 2031):

Having taken into account the non-achievement of the targets of the revised version of the previous medium-term management plan (fiscal year ended March 31, 2024 to fiscal year ended March 31, 2026; "the revised medium-term management plan"), the ongoing changes in the market environment, and modifications to the strategies of the Group, we have revised the quantitative targets that were set in June 2022.

	Initial plan	Revised plan
Revenue	270.0 billion yen	217.0 billion yen
Business profit (margin)	27.0 billion yen (10%)	13.0 billion yen (6.0%)
Operating profit (margin)	27.0 billion yen (10%)	13.8 billion yen (6.4%)
ROE	10%	7% or higher
ROIC	10%	6.5% or higher
Inventories (Inventory turnover ratio at Wacoal Corp.)	—	2.1 times

(iv) Priority strategies:

The policies for the promotion of sustainability management and the four priority strategies have not been changed, but after taking into consideration the ongoing changes in the market environment and modifications to the strategies of the Group, we have revised the measures for realizing these that were set out in the plan formulated in June 2022.

Strategic priorities:		Materialities (material issues)
Promote Sustainability Management	Improve domestic profitability and expand our business areas	Reconstruct businesses to improve profitability and create new businesses ・ Accelerate the shift to e-commerce and strengthen the growth foundation by developing new sales channels ・ Continue with business portfolio revisions, supply chain management, and cost structure reform to improve profitability ・ Expand the areas and innovation in value creation in which we do business within the beauty, comfort, and health fields
	Expand overseas businesses and transform them into high-revenue structures	Improve profitability by growing in the European and Indian markets and strengthening e-commerce ・ Expand brand recognition through more sophisticated digital marketing ・ Generate synergies by promoting post-merger integration at acquired companies ・ Change overseas business operating structure to increase speed of execution and promote area-specific strategies
	Strengthen the Group's management capabilities	Strengthen the Group's corporate governance, and attract, develop, and utilize diverse human resources ・ Practice ROIC management to drive business portfolio management and strengthen governance ・ Continue investments in human capital leading to the establishment of a growth cycle and optimally allocate resources linked to the management strategy
	Shift to more capital-efficient management	Continuously generate ROE that exceeds capital cost and optimize how we distribute value to stakeholders ・ Work to achieve ROE of 7% or higher and optimize the capital structure ・ Optimize the balance between shareholder returns and growth investments

(3) Medium-Term Management Plan 2029 (fiscal year ending March 31, 2027 to fiscal year ending March 31, 2029)

(i) Background and purpose of the formulation

The business environment surrounding the Group is undergoing significant changes due to factors such as shifts in consumer environments, soaring raw material prices, and exchange rate fluctuations. Although some progress was made in certain initiatives under the revised medium-term management plan, revenue and business profit fell short of the plan, and we were unable to achieve improvements in overall business profitability and growth. We recognize that this outcome is due to an underestimation of the external environment, a lack of flexibility in responding to changes, and the manifestation of issues stemming from insufficient effectiveness.

Taking into account the business environment and management challenges, the Group has fundamentally re-evaluated the traditional business structure and formulated the "Medium-Term Management Plan 2029" ("this medium-term plan"). Through business restructuring that responds to the changing market environment, we aim to establish a revenue base while simultaneously creating new value and improving capital efficiency.

In this medium-term plan, we will review the business portfolio in our domestic operations and advance the transition to a business model that can respond to changes in channel environments, as well as increasingly diverse and sophisticated customer needs and trends. We will also work on strengthening brand and channel strategies by leveraging digital technology and our own strengths. Additionally, we will enhance monitoring and problem-solving through our Transformation Office to improve the effectiveness of our initiatives. Furthermore, we will undertake up-front investments to create new value. In our overseas operations, we will shift from the existing Global Operations Div. to a two-division structure consisting of the Europe and the Americas Operations Div. and the China and Asia Operations Div. This will allow us to strengthen area growth strategies that consider regional characteristics, as well as accelerate decision-making, improve governance, and enhance effectiveness.

In addition to these initiatives, we will enhance profitability by reducing cost of sales and SG&A ratio, as well as by reviewing unprofitable businesses. We will also improve capital efficiency through better asset utilization and optimization of capital structure, thereby achieving an increase in corporate value over the medium to long term.

(ii) Overall picture

Basic policy: Aim to increase corporate value over the medium- to long-term by reconstructing existing businesses and strengthening innovation to improve profitability and strengthen our growth foundation, and by also improving capital efficiency

Priority strategies:

(1) Improve domestic profitability and expand our business areas (2) Expand overseas businesses and transform them into highly profitable structures
■ Reconstruction of businesses (domestic and overseas) ・ Evolve into a business providing empowerment solutions, a solutions business for the body and mind that uses body data, centered on innerwear ・ Increase sales of CW-X conditioning wear in Japan and overseas ・ Shift from B2B (mainly wholesale) channels to D2C channels, including directly managed stores and e-commerce ・ Conduct a structural review of unprofitable businesses ・ Continue business model reforms ■ Innovation (domestic businesses) ・ Expand areas for value creation with SCANBE ・ Strengthen R&D, expand the business, and assess the mass-production feasibility of Melooop ・ Leverage SPIRAL, a unique cultural asset possessed by Wacoal, to expand business
(3) Strengthen the Group's management capabilities
・ Practice ROIC (return on invested capital) management to drive business portfolio management and strengthen governance ・ Continue investments in human capital leading to the establishment of a growth cycle and optimally allocate resources linked to the management strategy
(4) Shift to more capital-efficient management
・ Implement initiatives to achieve an ROE of 7% or higher and optimize the capital structure ・ Optimize the balance between shareholder returns and growth investments

Quantitative targets (fiscal year ending March 31, 2029):

In this medium-term plan, we seek to restore profitability and improve capital efficiency by reconstructing businesses and promoting creation of new value. We have set targets for the fiscal year ending March 31, 2029, which is the final year of the plan, of 201.0 billion yen in revenue, 8.5 billion yen in business profit, 9.3 billion yen in operating profit, ROE of 4.3% or higher, and ROIC of 4.0% or higher. With regard to these targets, having taken into account the factors that led to the non-achievement of the revised medium-term management plan, as well as to continuing to revise the business portfolio and execute cost structure reform, we expect improvements in profitability driven by progress in various measures aimed at optimizing allocation to growth areas.

In order to improve capital efficiency and realize a robust corporate structure, the Group has introduced and is practicing ROIC management. This is used not only for the management of financial indicators as a company but also to visualize return on invested capital for the Group companies and business units, and by working to optimize the business portfolio and increasing the sophistication of investment decisions, we seek to improve capital efficiency.

	Fiscal year ending March 31, 2029
Revenue	201.0 billion yen
Business profit (margin)	8.5 billion yen (4.2%)
Operating profit (margin)	9.3 billion yen (4.6%)
ROE	4.3% or higher
ROIC	4.0% or higher
EPS	145 yen or more
Inventories (Wacoal Corp.: Inventory turnover ratio)	2.0 times

Financial policies:
1. To improve profitability as a top priority, while at the same time promoting reduction of inventories, reduction of strategic shareholdings, and streamlining of real estate properties that do not contribute to improvements in corporate value to improve capital efficiency and ROE
2. To actively return profits to shareholders to improve capital efficiency, while at the same time prioritizing investments for future growth

Dividend policy:

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to increase our enterprise value through active investments aimed at higher profitability and to increase earnings per share (EPS).

Cash flow allocation (fiscal year ending March 31, 2027 to fiscal year ending March 31, 2029):

During this medium-term plan, we will continue to promote reduction of inventories, reduction of strategic shareholdings, and streamlining of real estate properties that do not contribute to increases in corporate value, while striving to improve profitability. We will actively return the cash generated thereby to shareholders in order to improve capital efficiency, while giving priority to investment in growth. We will work to achieve our ROE and ROIC targets through both business and financial strategies.

Plan for fiscal year ending March 31, 2029: (Billions of Yen)

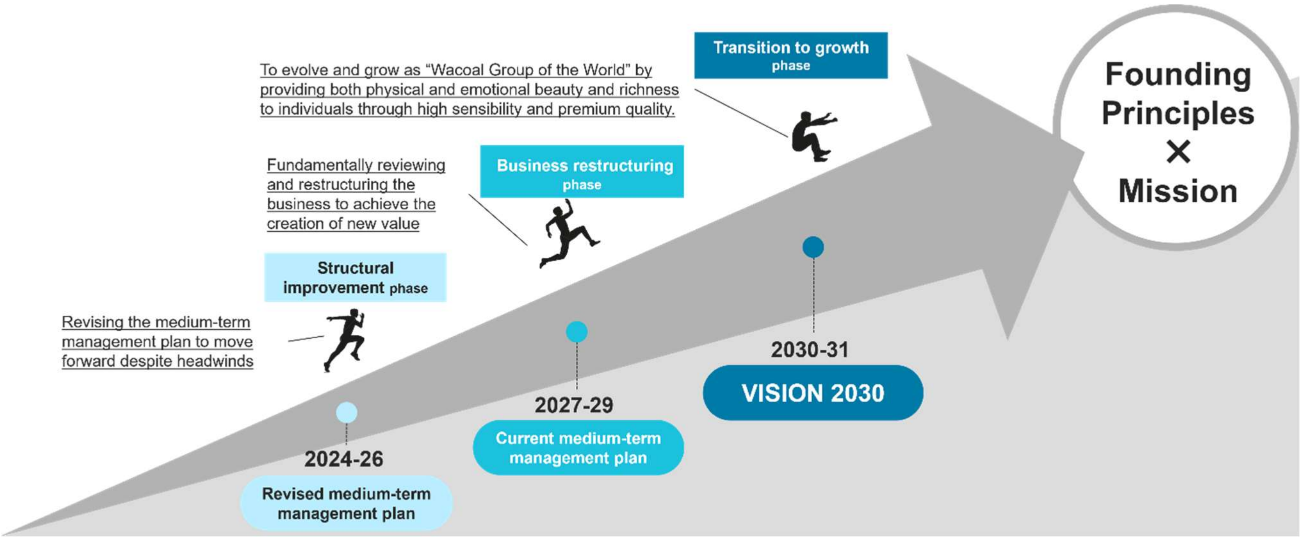
<table>
<tr><td rowspan="4">Cash inflow</td><td>Interest-bearing debt, asset reductions</td><td>45.0</td></tr>
<tr><td>Sale of strategic shareholdings</td><td>20.0</td></tr>
<tr><td>Operating cash flows</td><td>30.0</td></tr>
<tr><td colspan="2">Cash generated during the three-year period:
Approx. 95.0 billion yen</td></tr>
<tr><td rowspan="3">Cash outflow</td><td>Returning dividends</td><td>15.0</td></tr>
<tr><td>Share repurchase</td><td>35.0</td></tr>
<tr><td>Growth investments</td><td>45.0</td></tr>
</table>

(iii) Positioning of the Medium-Term Management Plan 2029 in "VISION 2030"

The period of the revised medium-term management plan was viewed as the phase for the improvement of the corporate structure to achieve "VISION 2030," during which we made revisions to the business structure and promoted measures for cost structure reform and so on, but issues remained regarding the fundamental improvement of profitability.

Taking the above into account, this medium-term plan has been designated the phase for the reconstruction of business in order to realize "VISION 2030," and by promoting the reconstruction of the business, the creation of new value, and business model reforms, we plan to improve profitability and establish the foundation for sustainable growth.

During the period of this medium-term plan, as well as steadily implementing various measures to improve effectiveness to restore profitability and improve capital efficiency, we will link the results to the realization of sustainable growth during the "VISION 2030" phase for transitioning to growth. By promoting this medium-term plan, we aim to increase the effectiveness of management and raise the probability of hitting the targets of "VISION 2030."



(iv) Actions toward management that is conscious of capital cost and stock price

During both this medium-term plan and "VISION 2030," the Group will promote measures to increase corporate value (raise PBR). As well as working to increase corporate value by improving profitability through business reconstruction, innovation, and business model reforms, we will take steps to improve invested capital efficiency through the practice of ROIC management, and raise capital efficiency through business portfolio optimization.

While maintaining returns to shareholders, we will not only strengthen investments for future growth but also promote the optimization of assets and capital structure with the aim of achieving improvements in the Consolidated Statement of Financial Position.

Through these initiatives we seek to generate an ROE that exceeds capital cost (around 7%), and to foster expectations for sustainable growth that lead to an improved PER and a higher PBR. We are also targeting an ROE of 10% or higher over the medium- to long-term.

(4) Policy for Fiscal Year ending March 2027

Under our medium- to long-term management strategy frame "VISION 2030," our group has established the following vision for the medium to long term: "to evolve and grow as 'Global Wacoal Group' by providing both physical and emotional beauty and richness to individuals through high sensitivity and premium quality." For the fiscal year ending March 2027, we will continue to steadily implement four initiatives that are key strategies of VISION 2030: "improve domestic profitability and expand our business areas," "expand overseas businesses and transform them into highly profitable structures," "strengthen the Group's management capabilities," and "shift to more capital-efficient management." In doing so, we aim to achieve sustainable growth and enhance corporate value.

In our domestic business, we will strengthen the "CW-X" brand and develop new sales channels, while also expanding customer contact points and enhancing sales capabilities by leveraging customer data through digital services. In addition, we will advance supply chain reforms and continue cost structure reforms as we work to restore our core profitability. Furthermore, we have established a dedicated "Transformation Office" team reporting directly to the President. This office will strengthen monitoring of these initiatives and reforms and will lead cross-organizational efforts to resolve issues as they arise, thereby improving the effectiveness of our efforts to achieve our goals.

In our overseas business, as the uncertain business environment persists, we will review our existing structure and reorganize into a two-division structure covering Europe and the Americas, and China and Asia. This will enable us to advance area-specific strategies, accelerate decision-making, and strengthen governance. At the same time, we will promote e-commerce growth by expanding customer contact points through digital marketing and other initiatives, while working to improve profitability and strengthen competitiveness by generating synergies through PMI for acquired companies.

Based on the above initiatives, we expect revenue of 187.6 billion yen, business profit of 0.5 billion yen, operating profit of 1.5 billion yen, profit before tax of 2.6 billion yen, and net profit attributable to owners of parent of 1.8 billion yen for the consolidated business results for the fiscal year ending March 2027. We expect our revenue to increase as a result of strengthening product competitiveness and developing new channels in Japan, as well as the effects of acquisitions and other factors overseas. While we expect an increase in business profit due to increased revenue, we expect a significant decline in operating profit due to a reversal from the recording of gain on sale of property, plant and equipment and other items in the previous fiscal year. We formulated our plan for the fiscal year ending March 2027 using the key exchange rates of 155.00 yen to the U.S. dollar; 210.00 yen to the Pound sterling; and 22.00 yen to the Chinese yuan.

(5) Business and management issues that should be addressed with priority

The group's issues to be addressed are described as follows:

(i) Domestic: Transformation of the business structure in response to changes in the market environment

The women's innerwear market is contracting due to demographic changes and diversifying consumer behavior. In addition, the competitive landscape is intensifying and purchasing channels are undergoing transformation. In our mainstay innerwear business under this business environment, we will seek to transition to an appropriate business structure aligned with market size rather than assuming that the market will return to growth. We will furthermore drive transformation toward a business model that generates profit by delivering value distinctive to the Wacoal Group leveraging our strengths, which include the technologies and knowledge we have amassed thus far as well as our holdings of anthropometric data. Specifically, we will redefine our business domain from "innerwear" previously to anthropometric data-driven "empowerment solutions" and strengthen our delivery of solutions offering high added value.

(ii) Domestic: Continuation of cost structure reform for improving profitability

In order to restore basic earning power, we will continue a radical cost structure reform. With respect to pricing, we will stabilize and improve our gross profit margins by optimizing prices while minimizing the impact on sales, taking into account cost trends such as raw material expenditures and demand patterns. We will also review our production system and procurement practices in seeking to mitigate the impact of structural increases in manufacturing costs while also reducing losses attributable to returns and other factors and improving operational efficiency by increasing the proportion of standard and continued products. We will rigorously implement selection and concentration through these initiatives in aiming to achieve an optimal cost structure that addresses changes in the business environment.

(iii) Domestic: Enhancement of brand and customer strategies leveraging digital technology and our own strengths

We will promote thorough "customer-centric" brand management and continuously work to cultivate brands with clear and appealing value propositions. In addition, we will promote customer-oriented DX to develop deep, wide-ranging and long-term relationships with customers and provide optimal customer experience. We will make use of digital tools to analyze purchasing data of our "Wacoal Members" membership service, as well as customer feedback and insights derived from sales staff's customer service, thereby using such insights to upgrade the customer experience. Furthermore, we will leverage 3D measurement services and apps in addition to consulting services provided by our sales staff in delivering customer experience that combines in-store and online interactions. We will also strengthen our deployment of reservation and ordering services through our own e-commerce platform to retail stores. Through such initiatives, we will strive to improve customer experience across a variety of touchpoints.

(iv) Overseas: Strengthening the business operating structure for the purpose of enhancing Group management

We will reorganize operations in transitioning from the former Global Operations Div. into a two-division structure consisting of the “Europe and the Americas Operations Div.” and the “China and Asia Operations Div.” directly under the Representative Director of Wacoal Holdings Corp. This will accelerate the process from decision-making to execution while also promoting stronger governance and monitoring. In the United States, we will steadily execute PMI with Glamorise Foundations, Inc. acquired in April 2026, while also expanding e-commerce and developing growth brands with a focus on the CW-X brand. In Europe, we will maximize synergies with Bravissimo Group Limited acquired in September 2024, and strive to strengthen our growth foundation through new channel development and e-commerce expansion. In China, we will rigorously implement store profit and loss management and deal with unprofitable stores. At the same time, we will seek to improve operational efficiency through a review of functions and structures aligned with sales volume as well as cost controls.

(v) Governance: Improvement in profitability and capital efficiency through enhancement of the management control base

The Wacoal Group has introduced ROIC management in order to improve capital efficiency and realize a lean corporate structure. We will endeavor to continuously improve corporate value by using ROIC as an indicator for managing company-wide financial targets, while also positioning it as a means for performance management that accurately measures results, quantitatively linking improvement activities on the ground with improvements in earning power and capital efficiency as expected by our investors and other stakeholders, and elevating the effectiveness of management controls.

(vi) Other issues

We recognize the increasing severity of climate change and other environmental issues as well as human rights issues, which calls for appropriate action and preventative measures.

The Wacoal Group will continue endeavoring to address increasingly complex and diverse social issues as a future “growth opportunity,” while promoting “sustainability management” to achieve both “resolution of social issues” and “sustainable growth” through our business. We will endeavor to improve corporate value by seeking “to resolve social issues” on the one hand and “to achieve sustainable growth” on the other hand through our steady promotion of initiatives for “maximizing value provided to customers,” “building an organization in which each employee can grow and be highly motivated,” “preserving the global environment for future generations,” “realizing a society in which everyone can excel at their roles” and “enhancing governance toward realization of sustainable growth,” which we have defined as our materialities (material issues).

2.【Sustainability Approaches and Initiatives】

Any forward-looking statement contained below is based on our judgments of our group as of the end of the current fiscal year. These future expectations and projections are subject to various factors and uncertainties, and may differ from actual outcome or results.

(1) Sustainability in general

As environmental issues such as climate change and human rights issues are becoming more serious, there is a strong demand for actions and efforts toward a sustainable society. In addition to responding to the demands of society, our group will strive to enhance our corporate value by promoting “sustainability management” that aims to both “solve social issues” and “achieve sustainable growth” through our business activities, viewing our efforts to address increasingly complicated and diversified social issues as future “growth opportunities.”

It is also important to increase the number of employees who can act with a clear vision of what the company should be and the company’s mission should be in order to realize the enhancement of our group’s corporate value. By increasing the number of employees practicing our management philosophy, we will achieve personal growth for each employee, as well as corporate growth.

(i) Governance

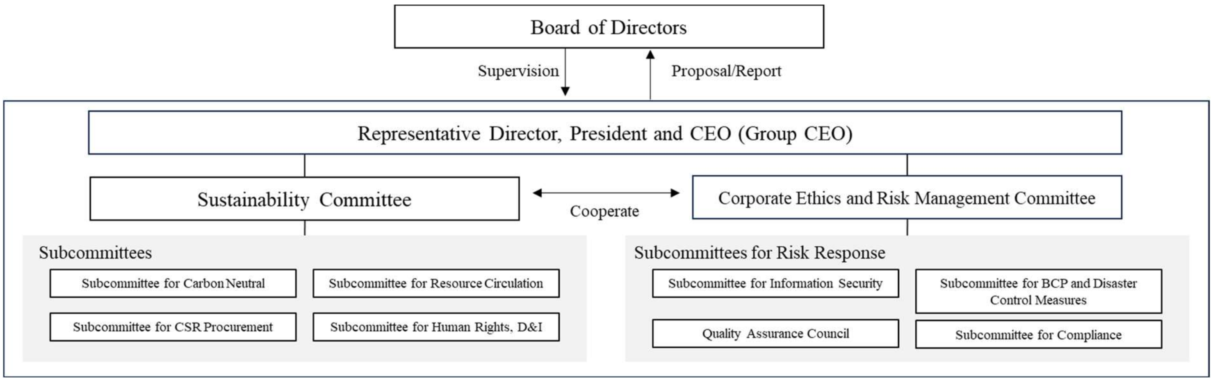
Our group established the Sustainability Committee in April 2022 to promote “sustainability management” and achieve both “solving social issues” and “sustainable growth” through our business activities. We have also established 4 subcommittees under this Committee in order to strengthen our response to important sustainability issues.

Sustainability Committee is composed of the Representative Director, President and CEO (Group CEO), who serves as the supervising manager and the Chair, the Executive Director, and the Corporate Officers who are appointed by the Chair. In principle, the Committee meets once every quarter on the same day as a meeting of the Board of Directors is held, and it also holds extraordinary meetings as necessary. The Committee formulates specific measures to address key issues, monitors progress, and evaluates the status of achievement based on our basic policy on sustainability and its alignment with the group’s management strategy.

The Board of Directors regularly receives reports from the Sustainability Committee and oversees our response to sustainability issues, including climate change, global environmental issues, and human rights issues. In addition, the Board of Directors exercises monitoring role regarding the allocation of management resources and the implementation of strategies related to the business portfolios to ensure that such initiatives contribute to the group’s medium- to long-term value creation and sustainable growth.

The Sustainability Committee met 5 times on the same days as the meetings of the Board of Directors during the fiscal year ended March 2026. The Committee positioned “reduction in greenhouse gas emissions resulting from business activities,” “initiatives for realizing a resource circulation society,” “promoting responsible procurement activities,” and “initiatives for respecting human rights through business activities” as key areas for deliberation, set targets for the period of the medium-term management plan, and examined and managed progress of specific measures.

<Sustainability Management Promotion Structure Chart>



<Subcommittees>

The Sustainability Committee is composed of Subcommittee for Carbon Neutral, Subcommittee for Resource Circulation, Subcommittee for CSR Procurement and Subcommittee for Human Rights, D&I. The promoting manager of each subcommittee are Corporate Officers who are appointed by the Chair of the Sustainability Committee, and the subcommittees are composed of Corporate Officers and employees of the Company, as well as the Directors, Corporate Officers, and employees of our group companies.

In addition, Audit and Supervisory Board Members attended meetings of each subcommittee, confirming that internal and external interests were being coordinated and issues resolved in accordance with the relevant policies, and that the process of deliberations was being reported and submitted to the Board of Directors in timely fashion. The roles and activities of each subcommittee are as follows:

Subcommittee for Carbon Neutral:

Purpose and Role	In order to reduce the environmental impact and environmental risk of the group's business activities and to promote voluntary and active environmental preservation activities, it will deliberate on activity policies and initiatives related to environmental issues, such as climate change measures and reducing the environmental load of back offices, and strategic investment projects related to environmental preservation, and monitor progress.
3-year Activity Policy (from the fiscal year ended March 31, 2024)	・ Domestic: Formulate and implement action plans to reduce greenhouse gas emissions ・ Overseas: Estimate greenhouse gas emissions and formulate targets for reduction
Details of Activities during the fiscal year ended March 31, 2026	・ Reported to the Board of Directors on the progress of the plans to reduce domestic greenhouse gas emissions ・ Reported to the Board of Directors on the potential for reducing greenhouse gas emissions at major overseas factories and the results of the EMS investigation ・ Resolved to introduce a cloud system with an eye on expanding future sustainability-related financial disclosures ・ Proposed KPI targets for VISION 2030 materialities to the Board of Directors and obtained approval

Subcommittee for Resource Circulation:

Purpose and Role	In order to promote sustainable use of resources and materials in the supply chain, resource conservation measures, and waste reduction and recycling, and thereby achieve a resource circulation society, it will deliberate on procurement policies and quality standards for environmentally friendly materials, and monitor the progress of waste reduction in production and procurement activities.
3-year Activity Policy (from the fiscal year ended March 31, 2024)	・ Increase in rate of environmentally friendly materials used ・ Reduction of product disposal ・ Reduce disposal of leftover materials at plants and suppliers
Details of Activities during the fiscal year ended March 31, 2026	・ Began an investigation to determine the rate of environmentally friendly materials used in products we purchase as finished goods ・ Reviewed disposal methods with reduced environmental impact for products and reported the details of the implementation to the Board of Directors ・ Implemented ecological activities that provide new value, such as holding workshops that utilize of leftover materials ・ Proposed KPI targets for VISION 2030 materialities to the Board of Directors and obtained approval

Subcommittee for CSR Procurement:

Purpose and Role	Being responsible for formulating and checking the progress of Wacoal Group's CSR procurement plans, it will accurately grasp the status of compliance with the Wacoal Group CSR Procurement Guidelines and lead the initiatives to make corrections and improvements continuously, by operating a cycle from monitoring manufacturing contractors and raw material suppliers through self-evaluation, etc., analysis and evaluation feedback, correction and improvement plans, to follow-ups.
3-year Activity Policy (from the fiscal year ended March 31, 2024)	・ Accurate understanding of social requirements such as "human rights," "labor practices," "environment and ethics," and continuous correction and/or improvement thereof ・ Expansion of factories that are subject to activities with effectiveness and rationality
Details of Activities during the fiscal year ended March 31, 2026	・ Conducted supplier self-evaluation form, which is conducted every two years, and reported the monitoring results to the Board of Directors ・ Held briefings for suppliers for the introduction of an external grievance mechanism (human rights redress platform) in the next fiscal year ・ Proposed KPI targets for VISION 2030 materialities to the Board of Directors and obtained approval

Subcommittee for Human Rights, D&I:

Purpose and Role	In order to ensure that the obligations of respecting human rights under the Human Rights Policy are fulfilled and the duties are properly carried out, it will provide educational activities related to the protection of human rights and advice and recommendations on implementing human rights due diligence. In addition, it will implement various measures, including holding internal seminars, in order to create a workplace environment that can accommodate diverse employees and maximize their individual abilities.
3-year Activity Policy (from the fiscal year ended March 31, 2024)	・ Identify human rights risks and formulate a system for conducting human rights due diligence ・ Formulate and implement policies to deal with the amended Act for Eliminating Discrimination against Persons with Disabilities and LGBTQ+ customers ・ Formulate and disclose a roadmap for diversity, equity & inclusion ("DE&I") promotion
Details of Activities during the fiscal year ended March 31, 2026	・ Proposed introduction of an external grievance mechanism (human rights redress platform) to the Board of Directors and obtained approval ・ Proposed to have human rights education for Wacoal Corp. employees to the Board of Directors and obtained approval ・ Conducted training on "unconscious bias" for Wacoal Corp.'s management ・ Conducted training on "customer harassment" for Directors and Corporate Officers of the Company and Wacoal Corp. ・ Proposed KPI targets for VISION 2030 materialities to the Board of Directors and obtained approval

(ii) Strategy

It is becoming increasingly difficult to predict the future due to the world's growing population, declining birthrates, aging populations, ongoing digital revolution, globalization, worsening climate change and human rights issues. In formulating our medium- and long-term business strategy frame "VISION 2030," our group has taken into consideration macro trends and the requirements of various stakeholders, and has gained insight into the business challenges and social and environmental issues that are expected to be faced by 2030. We have established the materialities (material issues) based on a materiality analysis (materiality assessment) of both "social and environmental issues to be solved" and "corporate growth." (For details on materialities, "please see (iv) Benchmarks and Targets")

(iii) Risk Management

With respect to risks related to the overall management of our group, we have our Representative Director, President and CEO (Group CEO) acting as the risk management supervising manager, and have established the Corporate Ethics and Risk Management Committee (the Corporate Planning Department which is the Risk Control Department acting as an organizer), chaired by our Representative Director, Vice President and Executive Officer and CFO, to regularly monitor and respond to material risks. The Corporate Ethics and Risk Management Committee also reports to our Representative Director, President and CEO (Group CEO) who serves as the Chair of the Board of Directors and the risk management supervising manager, on a regular basis annually, regarding the status of operation of our group-wide risk management system. Risks that can be managed by each business unit or subsidiary are addressed by the relevant organization in the course of its business activities. For details, please see "3.【Business Risk and Other】 (1) Risk Management System."

Further, with respect to risks and opportunities related to sustainability issues of our group, the Sustainability Committee and its subcommittees examine the impact on the entire supply chain, including direct operations and certain upstream and downstream operations, from a short-, medium-, and long-term perspective. The results are reported to the Board of Directors, the upper decision-making body, which ultimately identifies and evaluates risks. We assess the materiality of such risks and opportunities by taking into consideration the degree of potential impact on our business and the likelihood of their occurrence as well as the relevance to our business strategies. At the same time, risks are managed through monitoring and evaluation of achievement by the Sustainability Committee and each subcommittee.

(iv) Benchmarks and Targets

In order to promote "sustainability management" and balance "solving social issues" and "sustainable growth" through our business activities, we have identified "11 materialities (material issues)" and established corresponding benchmarks.

For targets for 2030, the content has been organized in conjunction with the formulation of the Medium-Term Management Plan 2029 for the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029, and is hereby newly disclosed.

Customers: Managing the Value Stream

	Materialities	Concrete efforts toward the resolution of material issues	KPI items by 2030	Targets for 2030
1	Enhancement of customer experience value by pursuing personalization	Increasing of customer connections and learning from them to wow other customers	Increase in the number of customers with connections to the Wacoal Group	• Number of active customers as Wacoal members: 2.6 million members (composition ratio of 45%)
2	Endeavoring to expand business domain	Tackling challenges in new areas to support customers from every angle	Business growth and improve profitability	• Net sales in new domain of existing businesses: 2,220 million yen • Net sales from new businesses: 2,000 million yen • E-commerce sales ratio: Japan 29%, U.S. 67%, Europe 45%, China 39%
		Achievement of global growth to provide inspiration to customers around the world	Overseas business expansion	• Net sales in major overseas countries: U.S. 39.6 billion yen, Europe 42.8 billion yen, China 8.6 billion yen
3	Improving of product quality and establishing of service quality	Pursuit of quality control systems and quality levels demanded by the times	Continuous monitoring of product quality and implementation of improvement activities	• Maintain perfect implementation of quality activities across all manufacturing-related departments.

Employees: Achieve growth of each of our employees and establish a highly rewarding organization

	Materialities	Concrete efforts toward the resolution of material issues	KPI items by 2030	Targets for 2030
4	Growth into talents who can expand their potential and have confidence, pride, and success	Growth of talents that proactively enhance self-proficiency and take on challenges with enthusiasm, regardless of generation or position	Nurturing of talents and creation of an environment in which employees can take on challenges with enthusiasm	• Positive response rate for “growth opportunities” in engagement survey results: 50% or higher
5	Building of organization that can demonstrate great results through co-creation and collaboration	Fostering an organizational culture in which people from diverse backgrounds cooperate and achieve mission	Development of a work environment in which people from diverse backgrounds can work together	• Positive response rate for “cooperative structure” in engagement survey results: 80% or higher
			Increase in the number of employees who can act with clarity on what the Company should be and its mission	• Positive response rate for “resonate with the Vision” in engagement survey results: 80% or higher
6	Continuous improvement of employees’ health and health awareness	Improvement of employees’ mental and physical health	Improvement of “employees’ productivity” and “mental and physical health”	• Total number of days absent due to illness (decreasing absenteeism): 20,000 days or less
			Improve health literacy	• Percentage of people who intend to change their behaviors related to the improvement of their lifestyles: 80% or higher

Environment: Preserve the environment globally for future generations

	Materialities	Concrete efforts toward the resolution of material issues	KPI items by 2030	Targets for 2030
7	Promotion of business activities that reduce environmental impact	Achievement of a decarbonized society	Reduction of CO2 emissions	• In-house emissions (Scope 1 & 2): 30% or more reduction vs. FYE March 2020 <Target: Domestic offices, factories, distribution centers> • Supply chain emissions (Scope 3): 20% reduction vs. FYE March 2020 <Target: Wacoal Business (Domestic)>
		Promotion of waste reduction	Reduction of product disposal rate	• Product disposal: "Zero" <Target: Wacoal Corp.>
		Achievement of a society of recycling resources	Increase in rate of environmentally friendly materials used	• Percentage of environmentally friendly materials used: 30% or higher <Target: Wacoal Corp.>

* For details, please see "(2) Response to Climate Change."

Society: Realize a society in which everyone plays an active role in their own way

	Materialities	Concrete efforts toward the resolution of material issues	KPI items by 2030	Targets for 2030
8	Promotion of co-innovation to solve social issues	Promotion of respect for human rights and CSR procurement activities	Establishment and implementation of human rights due diligence and promotion of human rights training	• Participation rate of human rights training aimed at steady promotion of human rights due diligence: 100%
			Expansion of scope of CSR procurement activities	• Implement on-site CSR audits of raw material manufacturers and dyeing factories

Governance: Enhance governance toward realization of sustainable growth

	Materialities	Concrete efforts toward the resolution of material issues	KPI items by 2030	Targets for 2030
9	Implementation of highly-transparent management	Maintenance and establishment of an optimal corporate governance system that will improve effectiveness	Demonstration of the Board of Directors' functions and promotion of diversity	• Ratio of External Officers: 50% or higher
10	Strengthening of the risk management system	Thorough compliance with laws and regulations and development of an organization with high ethical standards	Implementation of awareness-raising activities to enhance compliance awareness	• Percentage of employees who participated in an e-learning program: 100%
11	Continuous improvement of profitability and capital efficiency	Execution of management strategies and clarification of roles and authorities	Implementation of business portfolio management to realize growth	• ROIC target: 6.5% or higher • Target business profit ratio: 6.0%

(2) Response to Climate Change (Initiatives for Recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"))

We believe that climate change, which has a significant impact on the Earth and our business activities, presents both risks to our group's management, and at the same time new business opportunities. In order to achieve sound corporate development and a sustainable society, we are promoting initiatives to solve environmental issues and working to expand disclosure of environmental related information.

Approach to Reducing Greenhouse Gas (“GHG”) Emissions:

In order to move forward with measures to realize a carbon-free society and firmly ensure the reduction of greenhouse gas (GHG) emissions along the supply chain, we began calculating GHG emissions for the entire supply chain (Scope 3) of the Wacoal Business (Domestic) from 2021 (Emissions for the fiscal year ended March 31, 2020). Moreover, in addition to disclosing reduction targets for Scope 1 and Scope 2 GHG emissions from our operating bases in Japan in pursuit of our 2030 nonfinancial goals, in June 2022 we disclosed reduction targets for the aforementioned Scope 3 GHG emissions of the Wacoal Business (Domestic).

Reduction Process:

The Subcommittee for Carbon-Neutral, which operates under the Sustainability Committee, takes the lead in reviewing and managing progress of specific action plans for achieving GHG emissions reduction targets. For reducing domestic in-house emissions, we are installing solar power systems at our distribution centers and factories, as well as switching to energy-saving equipment at our offices. Furthermore, for reducing emissions across the supply chain, we recognize that collaboration with suppliers is essential. We are developing action plans and processes to achieve these reductions, while also transitioning to calculation methods that utilize primary data for key categories.

Response to Initiatives for Recommendations of the TCFD

In September 2021, our group announced our support for the recommendations of the TCFD. In line with the TCFD’s recommendations, our group has disclosed information on four areas of “governance,” “strategy,” “risk management” and “metrics and targets” since the end of June 2022.

(i) Governance

Governance related to climate change is integrated into the governance of our sustainability in general. For details, please see “(1) Sustainability in general – (i) Governance.”

(ii) Strategy

Our group conducts scenario analysis based on the currently available data to assess the impact of climate change issues, with priority placed on risks and opportunities deemed to have significant impacts on businesses. Going forward, we will continue striving to collect data that supports our analysis, sophisticate scenario analysis and expand the scope of analysis.

Scenario analysis based on recommendations of the TCFD:

In accordance with the recommendations of the TCFD, our group conducted and disclosed a scenario analysis on climate change during the fiscal year ended March 31, 2023. In addition, for the fiscal year ended March 31, 2025, we identified risks and opportunities again and expanded the scope of our scenario analysis to include upstream supply chain. In the scenario analysis during the fiscal year ended March 31, 2025, we examined countermeasures and identified risks and opportunities for Wacoal Business (Domestic), which accounts for the largest share of overall sales in our group, in two hypothetical scenarios in which the global temperature increased by 2°C and 4°C. Type of risk or opportunity, their specific details, degree of potential impact, and countermeasures are described in the table below.

Major Risks:

We believe that the physical risks that could affect our group’s business, strategy, financial plans, etc., include, among others, impacts of the intensification of extreme weather, such as storms and floods, etc., on our stores, factories, and distribution warehouses. Regarding transition risk, we recognize that we may need to respond to factors such as the introduction of carbon tax and rising prices, etc. in terms of policy, laws and regulations.

<table>
<tr><th colspan="4" rowspan="2">Type of Risk or Opportunity</th><th rowspan="2">Example</th><th colspan="2">Impact as of 2030</th><th rowspan="2">Countermeasures</th></tr>
<tr><th>2°C</th><th>4°C</th></tr>
<tr><td rowspan="2">Transition</td><td>Policy and Regulations</td><td>Introduction of carbon tax</td><td>Risk</td><td>Carbon tax (*1) and increases in compliance costs such as introducing equipment to restrain GHG emissions</td><td>Medium</td><td>–</td><td>・ Introduce renewable energy and promote energy conservation and creation to avoid or reduce cost increases
(Facilities already introduced)
Solar power generating systems (Wacoal Distribution Corp. Moriyama Distribution Center, Wacoal Manufacturing Japan Corp. Nagasaki-Unzen Factory)
・ Work with suppliers to promote reduction of CO2 emissions
・ Switch to more energy-efficient equipment to reduce costs after the introduction
・ Improve the efficiency of transportation by utilizing modal shifts and other means</td></tr>
<tr><td>Markets</td><td>Increases in raw materials costs due to strengthened regulations</td><td>Risk</td><td>Product cost rise due to the increase in the rate of environmentally friendly materials used</td><td>Medium</td><td>–</td><td>・ Control costs by consolidating the number of raw materials used and the number of colors, and reduce costs of environmentally friendly materials through cooperation and collaboration with companies in the industry</td></tr>
</table>

Type of Risk or Opportunity				Example	Impact as of 2030		Countermeasures
					2°C	4°C	
Physical	Acute Event	Increased frequency and intensity of extreme weather	Risk	Losses due to damage to stores and decreased sales due to the decreased number of business days for stores as a result of the increased frequency of extreme weather	Small	Medium	・ Strive to change the business model by expanding and strengthening domestic EC business to create a sales system that can cover for the decline in store sales through EC (Target EC ratio) (*2) 2030: 29%
				Losses due to damage to factories and loss of sales opportunities due to suspension of factories as a result of the increased frequency of extreme weather	Medium	Medium	・ Minimize damages at the time of disasters based on the BCP basic plan and strive to promptly recover operations to enhance resilience ・ For decreased sales due to suspension of factories, minimize damages by diversifying risks through multiple bases for factories
				Damages and loss of sales opportunities due to damage to distribution warehouses as a result of the increased frequency of extreme weather	Large	Large	・ Minimize damages at the time of disasters based on the BCP basic plan and strive to promptly recover operations to enhance resilience
	Chronic Event	Increased number of rainy days and higher average temperatures	Risk	Declined store sales due to at-home demand caused by heavy rain and higher temperature as well as fewer opportunities for outing caused by severe heat	– (*3)	– (*3)	・ Reduce the risk of decrease in consumers' opportunities and willingness to purchase by improving the convenience of our EC and expanding and strengthening EC businesses including those of other companies

Impact on operating profit: Large; 500 million yen or more, Medium; 100 million yen or more, and Small; less than 100 million yen

*1 With regard to the costs due to the introduction of carbon tax, we anticipate that the impact on the Company is limited, assuming we achieve our 2030 reduction targets for Scope 1 and 2.
*2 Target EC ratio in VISION 2030 Materialities (Material Issues).
*3 We recognize that chronic physical risks have a certain impact on store sales, but due to significant uncertainty regarding future demand trends, we have not conducted a reasonable quantitative evaluation at this time.

Major opportunities:

By providing products supported by high sensitivity and premium quality and practicing the manufacture of products that are cherished by consumers for a long time, our group is able to reduce environmental impacts over the entire life cycle of the product, which leads to the control of greenhouse gas emissions. In addition, we recognize that increased environmental awareness of consumers and society, including heightened preference for low-carbon merchandise and resource circulatable merchandise, has potential to expand business opportunities.

Type of Risk or Opportunity				Example	Impact as of 2030		Countermeasures
					2°C	4°C	
Transition	Reputation	Changes in consumer awareness due to heightened environmental awareness	Opportunity	Increase in consumption demand due to the offering of environmentally friendly products	Medium	Medium	・ Contribute to reduced disposal of products by promoting high quality manufacturing, allowing consumers to use products for a long time ・ Expand environmentally friendly products to increase sales to environmentally conscious consumers ・ Disseminate our corporate attitude for sustainability through the appeal of environmentally friendly products and bra recycling campaigns linked to market strategies.
Physical	Chronic Event	Increased number of rainy days and higher average temperatures	Opportunity	Increased demand for new products due to at-home demand caused by heavy rain and higher temperatures as well as increased demand for relief from heat as a result of severe heat	– (*1)	– (*1)	・ Recognize changes in consumer needs due to severe heat and heavy rain and reinforce the development of functional products to respond to them ・ Strengthen product development to meet at-home needs, including wireless bras ・ Engage in activities to raise awareness about the importance of innerwear in preparation for disasters

Impact on operating profit: Large; 500 million yen or more, Medium; 100 million yen or more, and Small; less than 100 million yen

*1 We recognize that chronic physical risks have a certain impact on opportunities related to products and services, but due to significant uncertainty regarding future demand trends, we have not conducted a reasonable quantitative evaluation at this time.

(iii) Risk Management

Risks related to climate change are managed by including them in the risks under our sustainability in general. For details, please see "(1) Sustainability in general – (iii) Risk Management."

(iv) Metrics and Targets

Our group has set its environmental activity goals for 2030, the "Environmental Goals for 2030" in order to address climate change issues and realize a carbon-free society. With regard to "Environmental Goals for 2030," based on our progress to date and changes in the business environment, the Sustainability Committee confirmed and reviewed the progress, and revised the targets for certain items. Such review was conducted after comprehensively taking into account the progress of cost-cutting measures, changes in the external environment, and the feasibility of investments, and other factors. The Sustainability Committee will continue to regularly review the progress toward achieving our environmental goals and the reasonableness of those goals.

Environmental Goals for 2030

i. Target for in-house emissions (Scope 1 & 2) "30% or More Reduction" compared to the fiscal year ended March 2020: Domestic offices, factories, and distribution centers. Gradually switch to renewable energy, aiming to achieve reduction of in-house greenhouse gas emissions (Scope 1 & 2).

ii. Target for product disposal "Zero": Wacoal Corp.
Aim for zero discarded products and promote efforts to reduce disposal of waste materials at plants.

iii. Target for environmentally friendly materials "30% or More": Wacoal Corp.
Increase the percentage of environmentally friendly materials used, such as switching to recycled fibers and yarns.

iv. Target for "20% Reduction" in supply chain emissions (Scope 3) compared to the fiscal year ended March 2020: Wacoal Business (Domestic)
Promote efforts with suppliers to reduce supply chain greenhouse gas emissions (Scope 3).

Greenhouse gas emissions are calculated in accordance with the "GHG Protocol," and the results through the fiscal year ended March 2026 are as follows:

In Japan (Unit: t-CO2e)

	Fiscal Year ended March 2020 Base year	Fiscal Year ended March 2024	Fiscal Year ended March 2025	Fiscal Year ended March 2026
Scope 1	1,784	1,578	1,513	1,439
Scope 2 (market-based)	4,658	4,245	3,987	3,523
Total	6,442	5,823	5,500	4,962
vs Fiscal Year ended March 2020	—	(10%)	(15%)	(23%)

(Target: own business offices, factories, distribution centers)

Overseas (Unit: t-CO2e)

	Fiscal Year ended March 2023	Fiscal Year ended March 2024	Fiscal Year ended March 2025	Fiscal Year ended March 2026
Scope 1	2,719	3,354	3,539	3,541
Scope 2 (location-based)	13,087	11,696	10,467	10,767
Total	15,806	15,050	14,006	14,308

(Target: own factories)

In calculating our greenhouse gas emissions, we have introduced an external cloud service (NTT Data's "C-Turtle") as a data management platform for emission calculations starting the current fiscal year. This aims to refine calculations and ensure consistency across the entire group. Consequently, Scope 2 emissions at overseas locations are calculated using location-based emission factors provided by this system. Until the previous fiscal year, some locations used market-based emission factors for calculations, but this has been revised from the perspective of data comprehensiveness and consistency in calculation methods. Additionally, to ensure the usefulness of period comparisons, we have retrospectively recalculated past Scope 2 emissions.

(3) Human Capital

The group celebrated its 80th anniversary on June 15, 2026. "Mutual trust," a principle enshrined in "Our Culture," one of the founding principles of the Company, is a permanent principle that is indispensable when discussing our human capital management. The catalyst for establishing this principle was the "mutual trust between workers and employers," which served as the catalyst for resolving the workers and employers conflicts of that time. The story, of which the founder Koichi Tsukamoto trusted his employees and accepted 100% of the union's demands, the employees lived up to that trust by working hard to advance the company's business, which in turn led to the company's growth, has been passed down through the generations. At its core lies a message, in a sense, a stern one that mutual trust is by no means an easy task, and that every single person at the Company must be a capable professional worthy of the trust of both internal and external stakeholders. Even though its form may change with the times and circumstances, our foundation is built on an organizational culture in which all executives and employees respect one another as "colleagues," engaging in rigorous yet supportive mutual growth. Continuing to pursue this culture and leading to sustainable growth is our eternal mission.

Building on this foundation, our group has established the majority of its value chains, spanning from basic research and product planning and development to materials procurement, production and sales, using the resources within our group. At the heart of this value chain, including the corporate staff who serve as its strategic foundation that support the value chain, lies our "human capital." Maximizing the value of human capital is, of course, a key management initiative. Realizing an attractive corporate culture in which each of the employees of our group can perform their duties while feeling "a sense of fulfillment," "motivated at work," and "a purpose in life" and maximizing his/her potential to produce organizational results such as improved productivity and competitiveness, is the virtuous cycle that serves as the essential driving force behind the sustainable growth.

Since the group's employees are affiliated with individual operating companies (there are 0 employees who are registered with the Company), we are currently focusing our disclosures on the strategies, initiatives, and performance of our core operating company (Wacoal Corp.). In addition, we will strengthen human capital governance (including human rights, DE&I, and compliance) across the entire consolidated group, and we will expand disclosures regarding certain metrics and initiatives for operating companies other than Wacoal Corp.

(i) Governance

In developing human resource strategies based on the business strategies of each operating company, the human resources department of each operating company takes the initiative in formulating and implementing specific measures to address human resource issues, monitoring progress, and evaluating and examining the status of achievement. At the same time, in order to ensure the effective functioning of governance concerning human capital of the entire group, we regularly monitor the status of initiatives at each operating company, mainly from the perspective of human rights, DE&I and compliance, and provide instructions and requests as appropriate.

<Corporate governance system>

I. Promotion system

Under the supervision of the Board of Directors, the Sustainability Committee chaired by the Representative Director, President and CEO (Group CEO) is responsible for formulating and monitoring the overall plan. Subcommittee for Human Rights, D&I has been established under this Committee to promote education and awareness based on the Human Rights Policy and to implement human rights due diligence (referred to as “HRDD” hereinbelow).

II. Respect for human rights

■ Basic policy

Our group has established the “Wacoal Group Human Rights Policy” (approved by the Board of Directors) and is promoting human rights initiatives across the entire group. This policy is based on the United Nations “Guiding Principles on Business and Human Rights” and applies to all officers and employees, while also seeking understanding and support from business partners. Additionally, to ensure sustainable procurement throughout the supply chain, we established the CSR Procurement Guidelines in 2017, which require business partners to comply with international human rights and labor standards, including the prohibition of child labor and forced labor.

■ Key initiatives

<Human rights risk assessment>

In October 2023, by utilizing expertise of external specialists, we identified potential risks through cross-departmental workshops, etc. As priority human rights themes, we have identified three priorities: (1) continuous understanding of human rights issues in the procurement supply chain; (2) improving the workplace environment for employees and in-store sales staff); and (3) respecting consumer rights and diversity, and we are working to address these challenges.

<Human rights impact assessment/correction>

A third-party organization conducted surveys and interviews with rights holders, including foreign technical intern trainees, as well as on-site inspections, and confirmed that no human rights violations were found in their employment or living environment. On the other hand, we identified areas for improvement, such as multilingual display, and working to make those improvements.

<Supply chain transparency/grievance mechanism audit>

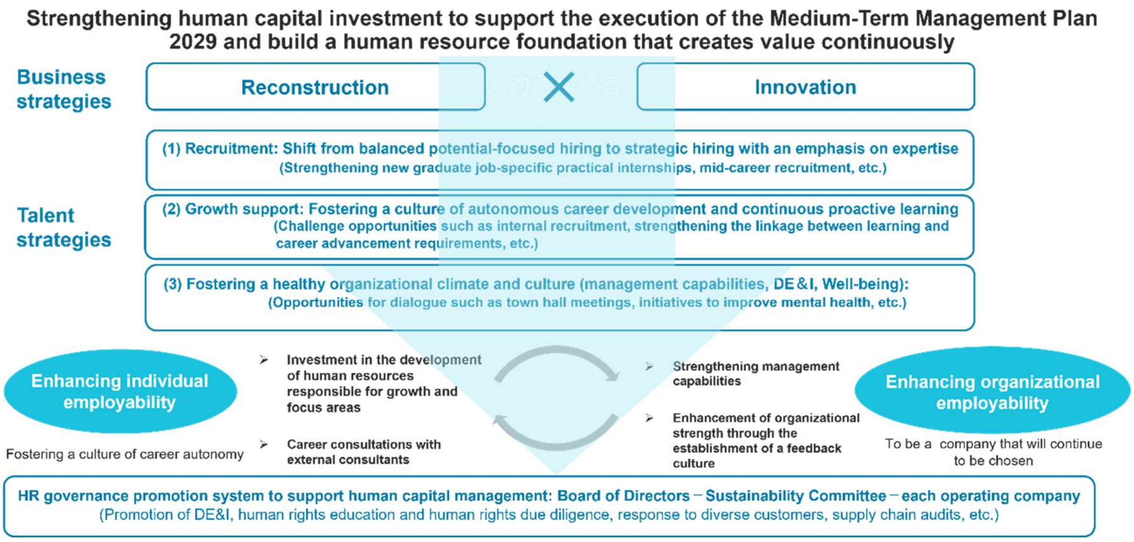
We continue to identify and improve human rights risks through compliance with the CSR Procurement Guidelines and self-assessment and on-site verification of manufacturing contractors. We are also working to enhance transparency, such as by publishing the list of manufacturing contractors. Additionally, our group has established multiple consultation and reporting channels for employees and stakeholders, and we are working on developing grievance mechanisms. In April 2026, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a full member and began using the Engagement and Remedy Platform provided by the organization. By utilizing a multilingual system operated by a third party, in addition to existing consultation channels, we aim to improve accessibility and transparency in remedies. Through the use of human rights remedy platforms operated by external organizations, we strive to improve access to remedies and ensure transparency for a broader range of stakeholders. For details on human rights, please see “Human Rights” page on our website and the full text of our Human Rights Policy.

(ii) Strategy

■ Management strategies and human capital strategies of the group and its operating companies

The group's management strategy is based on its medium- to long-term management strategy frame "VISION 2030" to evolve and grow into a "Global Wacoal Group" through high sensitivity and premium quality. In particular, under our most recent revised medium-term management plan, we have been simultaneously advancing growth strategies aimed at achieving "VISION 2030," with a focus on structural reforms to improve profitability, pursuing an asset-reduction strategy to improve capital efficiency, and introducing ROIC management.

On the other hand, in the medium-term management plan 2029 starting with the fiscal year ending March 2027, while we will continue our structural reform initiatives to expand investment for growth strategies and absorb anticipated cost increase factors, we will shift our focus toward creating new value through the execution of our growth strategies. In line with these business strategies, we have established the following three key policies (I. Recruitment, II. Promote employees' growth (Talent and career development), III. Fostering a healthy organizational climate and culture) for our human capital strategy, and are actively implementing them.



I. Recruitment

■ Basic policy

Based on our policy of "strategically allocating resources to growth sectors" to achieve our medium-term management plan 2029, the group is shifting its recruitment activity away from the traditional "balance-oriented" approach toward strategic talent acquisition that aligns with our business strategy. In particular, we have made the recruitment of specialized talent capable of driving growth in sectors such as global, e-commerce, digital transformation, and new business our top priority, and we are working to diversify and enhance our recruitment methods.

■ Key initiatives (Wacoal Corp.)

To systematically recruit talent with specialized skills essential to the realization of our business strategy, we are strengthening the following initiatives in addition to our traditional mass hiring of new graduates.

<Introduction of specialized skills-based hiring>

For our career-track recruitment, in addition to our traditional mass hiring of new graduates that emphasizes potential, we have introduced a "specialized skills-based hiring" that clearly defines the expertise and skills required for specific roles (such as research, IT, accounting, and technical development). In addition, in some fiscal years, the number of lateral hires has already exceeded half of all career-track recruitment, and we plan to maintain this ratio at around 30% to 50% going forward. As a result, we aim to ensure that highly specialized talent is assigned to areas that require particular reinforcement in our business strategy.

<Strengthening practical internships>

We have further developed a new short-term internship program "Wacoal Career Journey" to establish early contacts with diverse talent. This program aims for participants interact with Wacoal employees in person to touch upon actual ways of work and value, and thereby to have first-hand knowledge of the significance and culture in working for the Company. In addition, we are strengthening our “practical internships,” which allows students to gain practical work experience in a real-world workplace for several days. For the 2026 graduate recruitment cycle, we conducted a 10-day internship in our e-commerce division. Two of the six participants received job offers, which helped us secure highly motivated, ready-to-work talent. For the 2027 graduate recruitment cycle, we are expanding this initiative to departments such as R&D, IT, accounting, and technology development, with the aim of securing top talent and reducing post-hire mismatches.

<Promoting referral hiring>

Starting in October 2025, we introduced a “referral hiring” program, in which employees refer friends and acquaintances who are subsequently hired. With regard to sales positions, we have hired four new employees, focusing particularly on areas where it is difficult to secure staff, and we are also working to recruit employees who are a good fit for Wacoal.

<Talent retention measures>

・ Flexible implementation of region-specific recruitment

As a measure for talent acquisition and retention, in August 2020, We have established a system that enables employees to continue working even if the employee in a sales position who was hired with the working area limited moves for his or her own reasons by allowing a change of the work location to his or her new place when certain conditions are met. (Cumulative number of the program participants as of March 31, 2026: 55).

・ Expansion of eligibility for housing assistance programs for young employees

Effective April 2025, we have expanded the eligibility criteria for our housing assistance program for young employees. Approximately 60% of new graduates in the sales course who join the Company participate in the program. We are working to create a work environment where employees can settle into their roles with peace of mind by ensuring stability in their personal lives.

Hiring Status of main positions at Wacoal Corp.

Position	Category	Gender	Fiscal Year ended March 2023	Fiscal Year ended March 2024	Fiscal Year ended March 2025	Fiscal Year ended March 2026
Business Development Positions (Career-track)	Lateral hires	Male	4	1	8	19
		Female	6	15	8	16
		Total	10	16	16	35
	New graduates	Male	6	2	6	4
		Female	10	10	12	8
		Total	16	12	18	12
	Lateral hire ratio		38%	57%	47%	74%
Sales Positions	Lateral hires	Male	0	0	0	0
		Female	6	14	58	92
		Total	6	14	58	92
	New graduates	Male	0	0	0	0
		Female	16	14	19	24
		Total	16	14	19	24
	Lateral hire ratio		27%	50%	75%	79%
Product Development Positions (Creator/Technical/Research)	Lateral hires	Male	0	0	0	0
		Female	0	0	0	0
		Total	0	0	0	0
	New graduates	Male	0	0	0	0
		Female	0	0	4	10
		Total	0	0	4	10
	Lateral hire ratio		0%	0%	0%	0%

II. Promote employees' growth (training and career development)

■ Basic policy

We believe that establishing an environment where each and every employee takes ownership of their own career and can continue to grow while enhancing their expertise is essential to the sustainable growth of the entire organization. Based on this philosophy, Wacoal Corp. places a central focus on developing "autonomous and innovative talents" and provides a wide range of opportunities to support its employees' challenges and growth.

In addition, we have linked this initiative to the role-based grading system introduced in July 2025 to eliminate seniority-based factors and ensure that evaluations and compensation are strictly based on role and performance. We have also redesigned our education system, "WACOAL TERAKOYA." Through this initiative, we aim to foster a culture in which employees take the initiative in choosing their career paths and engage in lifelong learning on their own.

In addition, by positioning certain parts of "WACOAL TERAKOYA" as prerequisites for grade certification and mandatory requirements for the management license examination, the system is founded on the principle that individuals should maintain a commitment to continuous learning and enhance their expertise throughout the process leading up to management appointments.

Furthermore, in order to shift resources based on business strategies and improve the treatment level per person, it is particularly important to develop human resources to enhance productivity in existing businesses. For certain job types, we are initiating efforts to enhance individual and organizational competencies by formalizing the necessary knowledge and know-how into explicit knowledge based on the behavioral characteristics of relatively high-performing personnel and systematizing work processes.

■ Key initiatives (Wacoal Corp.)

・ Establishing systems and environments that support career autonomy

We offer a wide range of options and opportunities to take on a challenge so that employees can shape their own career paths.

<Diversification of career options>

We operate an “Internal Recruitment Program” that allows employees to apply for transfers to their desired departments on a voluntary basis. We also operate a “Job Challenge Program” that allows employees to volunteer for transfers to departments that are not currently hiring. Furthermore, we have established a “Cross Boundary Learning” that allows employees to be seconded to other companies for a certain period to acquire new skills and perspectives. There have been cases where employees have leveraged that experience to take on management roles upon their return.

<Career counseling>

We arrange meetings with in-house career advisors and external professional career consultants to help employees take an objective look at their careers and consider their future direction.

<Educational system that promotes proactive learning “WACOAL TERAKOYA”>

In order to promote autonomous learning among employees, we implemented a learning management system and redesigned the “WACOAL TERAKOYA” educational system.

<Visualizing training outcomes>

As one of the metrics for evaluating the effectiveness of training, and with the aim of improving the effectiveness of our talent development initiatives, we have begun measuring “training transfer” starting this fiscal year to quantitatively assess behavioral changes following training. Specifically, we conduct a survey one to three months after the training to verify whether the skills and knowledge acquired during the training are being applied and utilized in the workplace. By having participants reflect on specific examples of their actions, we encourage self-reflection while also quantifying the effectiveness and retention rates of the training, thereby making the connection between the training content and business performance visible. We use this to improve our talent development initiatives and optimize our return on investment.

Examples of Our Talent Development Programs
(Actual Results of Office Workers)

<table>
<tr><th rowspan="2">Name of Program</th><th rowspan="2" colspan="2">Purpose</th><th rowspan="2">Period/No. of hrs. of training per person</th><th colspan="2">Annual number of participants</th></tr>
<tr><th>Fiscal Year ended March 2025</th><th>Fiscal Year ended March 2026</th></tr>
<tr><td>Level-Specific Training Program</td><td colspan="2">Helps employees understand the roles and the mindset expected of them in new ranks or positions and gives employees an opportunity to consider their career plans in the context of the company’s strategies</td><td>1 to 6 days (depending on program)</td><td>349</td><td>729</td></tr>
<tr><td>Business Skills</td><td colspan="2">Enables employees to learn the skills needed by businessperson through exchanges with talents inside and outside the company and to acquire universal business skills usable inside and outside the company</td><td>1 day to half year</td><td>35</td><td>230</td></tr>
<tr><td>Departmental Mastery Training Program</td><td colspan="2">Shares in-house knowledge, passes on knowledge, and develops organizations through training and seminars conducted by in-house and external instructors</td><td>7 hours~</td><td>1,390</td><td>252</td></tr>
<tr><td rowspan="2">Self-Study</td><td rowspan="2">Supports the autonomous development and enhancement of employee capabilities by providing e-learning content that can be studied anywhere at any time</td><td>Self-study support program</td><td>–</td><td>38</td><td>24</td></tr>
<tr><td>Distance learning/E-learning</td><td>–</td><td>470</td><td>737</td></tr>
</table>

* In conjunction with the system changes in July 2025, we reorganized some of our programs.

(Actual Results of Field Workers)

Name of Program	Purpose	Period/No. of hrs. of training per person	Annual number of participants		Training transfer rate
			Fiscal Year ended March 2025	Fiscal Year ended March 2026	
Training at Promotion	At the same time of understanding expectations, roles and actions for each grade, it will lead to improving performance of the overall organization and smooth operations of teams by acquiring the necessary mind and skills. Moreover, it provides an opportunity to think about their own career at the time of promotion.	6 hours~	75	79	60%
Training on Role Appointment	Supports the achievement of efficient business orientation and organizational targets by managing stores as role appointers (supervisors, store managers, etc.), understanding responsibility for talent development and setting the mindset for human resource development.	6 hours~	78	48	65%
Season Business Training	Aims to maximize LTV by learning customer service methods through the understanding of season strategies and product knowledge by sales channels and customer service simulations.	6 hours~	830	1,682	–
Standard Training	Targeting middle class staff who have acquired the basics of customer service, aims to further improve customer satisfaction and increase sales by acquiring customer service skills (conversational skills and proposing skills) which embody brand image.	6 hours~	550	727	55%
Customer Service Training Workshop	As part of our talent development initiatives utilizing tablet devices, we are working to improve customer service and sales skills in real time for team members located away from our offices, as well as to ensure they fully understand our new initiatives.	45 minutes	–	1,142	–

III. Fostering a healthy organizational climate and culture

i. Strengthen management skills

■ Basic policy

The group considers strengthening management capabilities to be one of the top priorities in our human capital strategy, with the aim of maximizing the performance of the entire organization through the accurate and prompt execution of our management strategies. In today’s rapidly changing business environment, it is essential to cultivate “autonomous and innovative talents,” individuals who make decisions based on their own judgment in response to changing circumstances, rather than relying on past successes or established methods, and who take responsibility for the outcomes of those decisions.

Based on this philosophy, we place great importance on redefining management not merely as a role or a set of technical skills, but as a way of encompassing individual decision-making principles and one’s approach to the organization. We will consistently promote the systematic identification, development, and appointment of management talent capable of driving the realization of our vision and the execution of our strategies, while leveraging the strengths of each individual employee to contribute to the organization’s success.

■ Key initiatives

To strengthen our management capabilities, we are systematically implementing the following initiatives.

・ Systematic identification and development of next-generation leaders

Based on our succession plan, we are establishing a system to identify future leaders at an early stage and develop them with a long-term perspective.

<Early identification and provision of development opportunities>

We are working to foster a management perspective starting in one's late 20s. In this initiative, we view assessment center method not merely as a "selection process," but as a "development opportunity" that provides feedback on strengths and weaknesses to foster growth, and we offer structured development opportunities to high-potential employees.

・ A training framework to enhance management quality

We provide systematic training programs for management tailored to their roles and responsibilities.

<Management License System>

We have introduced "Management License System" that focus on the actual roles and results employees deliver. In addition to multifaceted factors such as review of promotion thesis, assessment center method conducted by external organizations, and interviews with executives, we ensure the quality of our management by requiring knowledge of and certifications in financial accounting and IT.

・ Fostering a healthy organizational culture

Recognizing that a corporate culture characterized by a high level of psychological safety is essential for maximizing individual potential and driving organizational results, we are promoting the following initiatives.

<Foster a feedback culture>

We conduct an annual 360-degree evaluation for management-level employees and have established a system that leverages objective feedback from supervisors, colleagues, and subordinates to foster their professional growth. In addition, we hold meetings regularly to provide opportunities for direct dialogue between management and employees. This helps ensure that management policies are fully understood and that the realities of the workplace are shared. Furthermore, by providing follow-up feedback on the opinions and requests raised by employees during these meetings, we aim to foster a feedback culture.

ii Promoting DE&I

Our group is building a sound corporate culture and a strong management structure by pursuing a system that enhances the job satisfaction of each employee, while at the same time by ensuring the quantitative and qualitative appropriateness of human resources. We aim to create a work environment that is receptive to diverse talents and values, deepens relationships of mutual trust and that allows each employee to perform to the best of his/her ability. We will continue to expand the diverse career paths and flexible work options, and will promote talent measures that will enable us to take advantage of the diversity of employees to enable decision-making that adapts to a rapidly changing market environment.

<Prompting active roles for female>

As many of our employees at Wacoal Corp. and customers are female and we need to reflect more diverse viewpoints in its management decision-making, Wacoal Corp. positions promoting active roles for female as an important management goal. Wacoal Corp. has established a workplace environment that is appropriate and in line with women's unique life stages, realizes more flexible work styles, and has instituted a system for fair advancement based on ability and performance, regardless of gender or age.

<Promotion of Women in Managerial Position>

To ensure diversity among the personnel involved in key decision-making, Wacoal Corp. has identified gender balance at the management level as a strategic priority and has set a target of achieving a female representation of at least 30% among department heads and above by the end of the fiscal year ending March 2029. As of April 1, 2026, women accounted for 32.2% of positions at the Manager level and above (41.6% when including those with management certification), while they still accounted for only 18.8% of positions at the General Manager level and above. We will strengthen our training and promotion initiatives.

Specifically, we are promoting systematic talent development while ensuring gender balance within our talent pool, providing career development support through consultations with internal and external career consultants, and implementing promotion and appointment systems based on ability and performance. In addition, as part of our efforts to expand flexible work options, we have introduced a "super flex-time system" with no core hours to support continuous career development.

As part of our employee development initiatives, we conduct unconscious bias training aimed at fostering an understanding of how diversity contributes to corporate value creation and promoting fair decision-making that minimizes unconscious biases. We have completed training for management and General Managers and Managers this fiscal year, and we plan to expand the program to all employees next fiscal year.

Through these initiatives, we will work to create an environment where a diverse workforce, including women, can participate in key decision-making processes, thereby enhancing organizational diversity and improving the quality of management decisions.

<Differences in Wages between Male and Female Employees>

The difference in wages between male and female employees, is 49.7% (full-time employees: 50.0%, part-time and fixed-term employees: 58.9%, career-track positions: 67.2% and managerial positions: 90.9%) at the Company and Wacoal Corp. At the Company, there is no wage differential due to gender for the same role. The three main factors contributing to this difference are as follows:

- Men account for approximately 70% of managerial positions.
- In recent years, the proportion of women among new graduates and career-track recruitment has risen, and 65% of employees with less than 10 years of service are women.
- Since 65% of women are in sales positions, while 86% of men are in career-track positions, the difference in wage levels is influenced by job type.

To address these structural challenges, while maintaining a gender balance during career-track recruitment (new graduates and lateral hires), we will achieve diversity in our management and leadership by prioritizing ability and performance in our promotion and appointment practices more than ever before.

<Promotion to management positions at overseas companies>

Our group actively appoints local talents to the positions of representative (president) and key managerial positions in each of our overseas entities, including the U.S. and Europe. The representatives (president) of Wacoal Hong Kong Co., Ltd. and Philippine Wacoal Corp. are served by local females.

Starting with this report, we have begun disclosing the percentage of women in management positions (Manager and above) at our consolidated group companies, including those overseas. Although the situation varies by company, overall, our overseas subsidiaries have made greater progress in promoting women to leadership roles than our Japanese subsidiaries. We will continue to promote the recruitment and advancement of a diverse local workforce to drive business growth and strengthen our competitiveness in each market from a customer-centric perspective.

<Employment of People with Disabilities>

Our group is working to improve the working environment and provides work support by conducting training so that everyone is able to work proactively, and through individual interviews. Established in 2018, Wacoal I Next Corp. is a specific subsidiary that promotes diverse work styles. Going beyond mere numerical targets, the company is committed to creating a workplace where everyone can thrive based on mutual trust. Starting in July 2025, we have introduced a new human resources system aimed at expanding opportunities for employees to thrive based on their individual strengths and motivation.

<Responses based on policies for serving diverse customers>

In January 2026, Wacoal Corp. conducted a video training session on “Business and Human Rights” for all employees. Through this training program, we are promoting an understanding of the fundamental principles of respect for human rights and laying the groundwork to ensure we not only accommodate our increasingly diverse customer base but also respond appropriately to a wide range of stakeholders, including business partners and local communities.

iii Improvement of employees’ well-being

In order to achieve “to evolve and grow as “Global Wacoal Group” by providing both physical and emotional beauty and richness to individuals through high sensitivity and premium quality” as addressed under our medium- to long-term strategy framework “VISION 2030,” it is essential to increase the satisfaction of our employees, who are key stakeholders, and to improve the productivity.

With a view to enhancing employee engagement, Wacoal Corp. promotes well-being across a wide range of areas, including physical and mental health, work style, career development, and social connections.

<Promotion of diverse working styles>

To enable flexible work arrangements tailored to employees’ job roles and lifestyles, Wacoal Corp. has introduced a super-flexible work schedule system with no core hours and is working to create an environment where employees can independently choose their working hours and location. In addition, through the implementation of a location-restricted work system and the reorganization of our Kyoto-area offices, we are promoting Wacoal’s version of ABW (Activity-Based Working) and advancing work-style reforms aimed at improving productivity.

In addition, we are expanding programs that support employee retraining and career development, such as the long-term self-improvement leave program. Through these initiatives, we are fostering an organizational culture that values results and achievements while respecting each individual and recognizing one another as business partners.

<Work-life balance and mental health support>

For the purpose of creating a workplace environment where employees can continue to work with peace of mind, we are strengthening our work-life balance initiatives and mental health support. By utilizing stress check assessments and the analysis of their results, and by conducting workplace revitalization interviews for high-stress organizations in addition to providing counseling support from experts, we are working to visualize organizational issues and drive improvements. Through these initiatives, we are working to maintain and promote the physical and mental well-being of our employees and to create a comfortable work environment.

<Well-being/workstyle (mainly in Wacoal Corp.)>

We have established policies such as telework, long-term leave for self-development or to accompany a spouse, and a side-job policy to support diverse career choices.

(iii) Risk Management

Risks related to human resources are managed with the risks under sustainability in general and overall management. For details, please see “(1) Sustainability in general – (iii) Risk Management.”

(iv) Metrics and Targets

Human Capital Issues based on Management Strategies	Initiatives to Maximize Human Capital	Metrics and Targets (KPI)		
		Metrics	Targets	Results for the fiscal year ended March 31, 2026
Recruit, train and promote talents who will be responsible for the company's growth Addressed by materiality: 5	I. Recruitment II. Promote employees' growth (training and career development)	Status of lateral hires (career-track positions)	Achieve lateral hires of 30% - 50% in total hires of Business Development course (career-track positions)	Total hires: 47 Of which, lateral hire: 35 (74.5%)
		Engagement score (growth opportunities)	To obtain 50% or higher positive response rate	29.4%
Improve management capabilities to connect individuals' strengths to organizational results Addressed by materiality: 4	III. i. Strengthen management capabilities	Engagement score (shared vision)	To obtain 80% or higher positive response rate	66.5%
Foster organizational culture of high engagement and psychological safety Addressed by materiality: 4, 5		Engagement score (psychological safety)	To obtain 70% or higher positive response rate	51.0%
	III. ii. Promotion of DE&I III. iii. Improvement of employees' well-being	Promotion of women to managerial positions	Ratio of female employees in managerial positions (general manager and higher level) of at least 30% by fiscal year 2028	18.8% (as of March 2026)
		Employment of people with disabilities	Statutory employment rate of 2.5% for fiscal year 2025	2.57% (as of June 2025)

*Materialities (Material Issues)

4 Growth into talents who can expand their potential and have confidence, pride, and success

5 Building of an organization that can demonstrate great results through co-creation and collaboration

3.【Business Risk and Other】

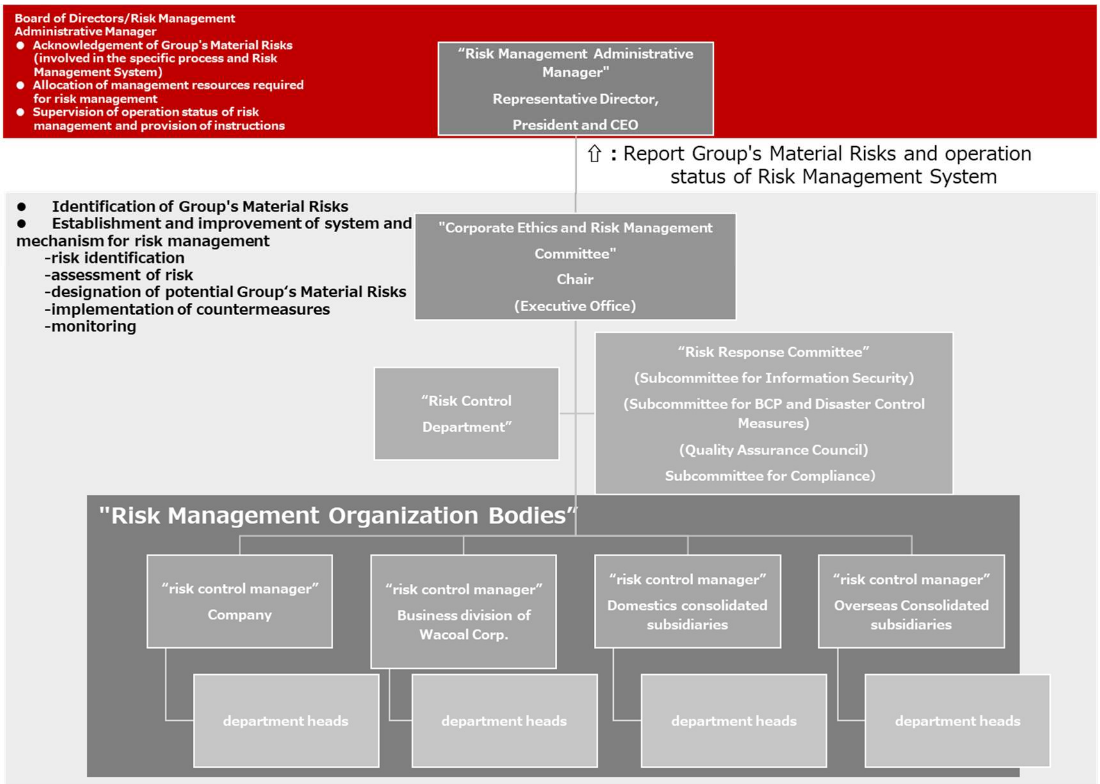
In our Risk Management Basic Rules, "risks" are defined as "all factors that may hinder the achievement of the business objectives of our group." Further, "risk management" is defined as a series of measures aimed at continuing improvement by identifying and assessing risks and engaging in activities to mitigate risks (risk management during normal times), and prompt response to emergencies such as material problems and/or incidents in relation to management (risk management in emergency).

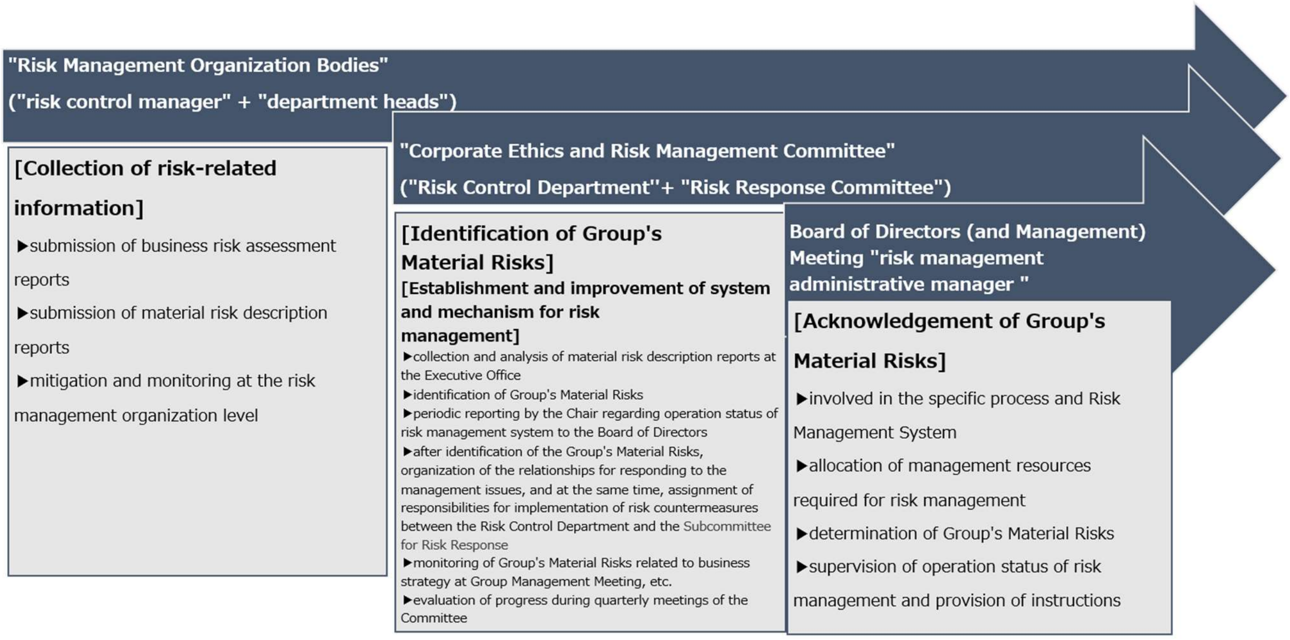
In accordance with the Rules, we recognize risks, assess the likelihood of their occurrence and degree of potential impact, set priorities and decide on how to address them, to engage in activities to mitigate the possibilities of such risks' materializing to the extent possible. In addition, we take risk management measures that are designed to minimize the impact of such risks on stakeholders including communities and society by responding promptly to any problems and/or incidents that may occur if such risks materialize.

(1) Risk Management System

As shown in the diagram below, our group's Risk Management System for the fiscal year ended March 2026 is headed by our Representative Director, President and CEO (Group CEO) who acts as the risk management supervising manager, and is under direct control of our Representative Director, Vice President and Executive Officer and CFO who acts as the Chair of the Corporate Ethics and Risk Management Committee, which consists of members appointed by the Chair. In addition, the Corporate Ethics and Risk Management Committee has established various subgroups including the Risk Control Department and Subcommittee for Risk Response which formulate policies on activities and monitor important issues across the entire group, and the Risk Management Organization, which manages risks by identifying, assessing, responding to and monitoring risks as determined by the Corporate Ethics and Risk Management Committee and the risk control managers of the Risk Management Organization bodies.

The Corporate Ethics and Risk Management Committee evaluates risks identified by each of Risk Management Organization bodies from the perspective of their likelihood of occurrence and degree of potential impact of such risks, and annually presents the risk items that are determined as having a significant potential impact on the management of our group to the risk management supervising manager (our Representative Director, President and CEO (Group CEO)) for approval as "Group's Material Risks." The Risk Control Department or the Subcommittee for Risk Response then proceeds to work on countermeasures aligned for each item of the Group's Material Risks to minimize these risks, and a meeting of Corporate Ethics and Risk Management Committee is held quarterly, and whenever necessary from time to time, to monitor whether our Risk Management System is working effectively.

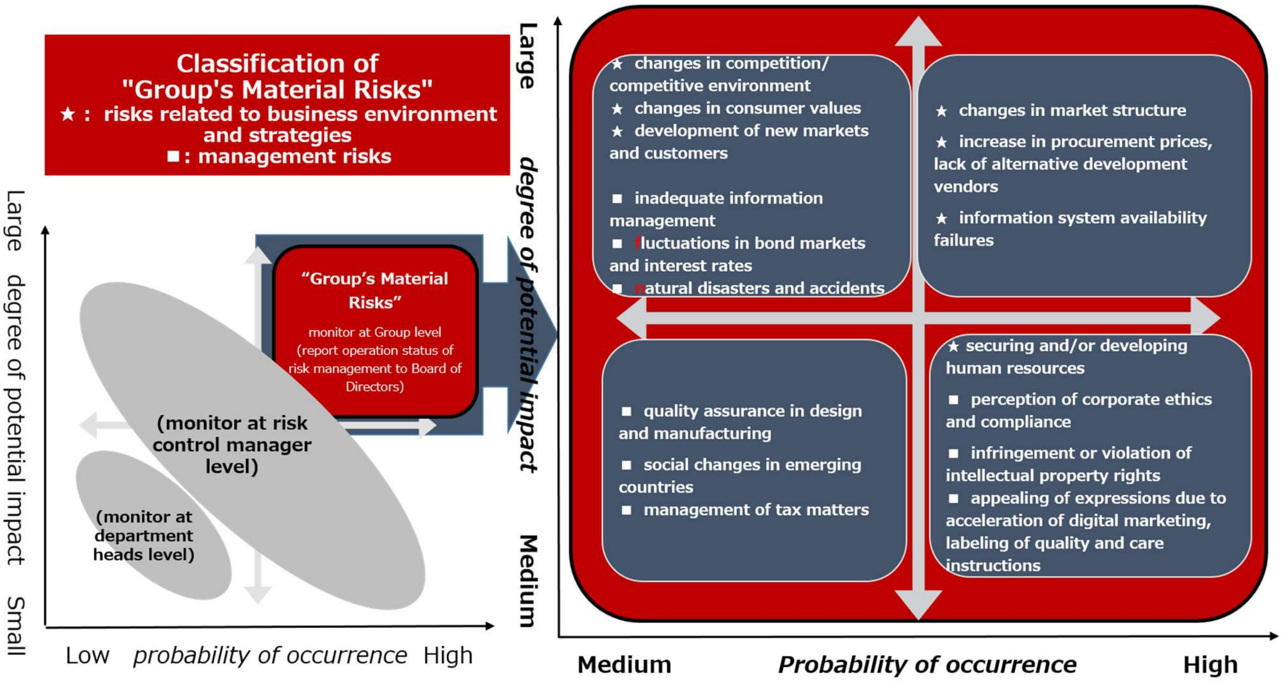




(2) Business Risk Factors

Among matters related to "II. Operating and Financial Review and Prospects" described in this report, major risk factors as identified by the management that may significantly impact the financial position, results of operation and cash flows within group, and their countermeasures are as follows. Forward-looking statements in this report are made by our group based on information available as of the end of current fiscal year.

In addition, as described above, the Corporate Ethics and Risk Management Committee presents risk items that are identified / evaluated as having a significant potential impact on the management of our group for approval as "Group's Material Risks" to the risk management supervising manager (our Representative Director, President and CEO (Group CEO)) for approval. In the below diagram, ★ indicates a risk related to "business environment and strategies," and ■ indicates an "operational" risk.



(2)-1 Risks related to business environment and strategies

・	Risks related to changes in market structure	
□	Probability of occurrence: High	□ Degree of potential impact: Large
●	Risk details A decline in the number of large-scale retailers and commercial facilities, including department stores and mass merchandisers, and relocation of sales floors to upper levels and the downsizing of sales areas, may significantly impact our group's business performance, which has a large share of sales from department stores and mass merchandisers. The change in the market structure, such as the absence of lingerie sections in retail facilities, may result in restructuring of existing business platforms, or changes in sales policies, which may affect our group's business performance.	
●	Countermeasures The retail market is undergoing structural change (expansion of online markets such as online malls and flea market apps), and the sales share of wholesale outlets such as traditional department stores, mass merchandisers, and specialty stores is expected to gradually decline. With the aim of expanding its e-commerce business, Wacoal is not only expanding its brand presence on existing e-commerce platforms but also opening stores on new platforms and rolling out "WACOAL is," an OMO-style store that seamlessly connects online and offline shopping. Meanwhile, by developing and offering products that meet clear customer needs with short lead times and flexibly manufacturing and supplying them according to demand, we are improving the in-store demand fulfillment rate and reducing sales opportunity loss due to product shortages. Furthermore, by combining "optimized brand and product portfolios tailored to each channel" with "demand-driven production centered on existing and staple products," we aim to minimize lost sales opportunities and achieve further sales growth and improved inventory efficiency.	

・	Risks related to increase in procurement prices	
□	Probability of occurrence: High	□ Degree of potential impact: Large
●	Risk details The structural changes in the supply chain may cause an increase in purchase prices due to an increase in raw material prices, higher labor costs in production regions and higher transportation costs, and may affect our group's business performance.	
●	Countermeasures In the procurement of materials and production of products, we are increasing our emphasis on procurement and production in ASEAN countries and regions led by Vietnam and Myanmar, while appropriately matching both quality and cost aspects. In addition, we are working to minimize the number of material varieties to the extent possible in the planning and designing stages of products on the premise of consolidating materials and colors, promote local sourcing and consumption overseas, and minimize the number of products, materials that end up in landfills, and improve production efficiency through the introduction of labor-saving equipment. We are working to make our product inspection process and materials quality standards simplified and more appropriate, and increase production lots and improve work efficiency by reorganizing our product brands. Meanwhile, the domestic sewing company aims to both strengthen our competitive superiority and improve business efficiency by maintaining a demand-linked production system that can quickly respond to the changes in customers' needs and markets, while inheriting the high level of sewing technology in Japan. At the same time, it is working to enhance our business effectiveness by playing a role in realizing generic use of new technologies and new facilities at plants within our group and providing technical support, and developing a comprehensive production system that is capable of catering to short delivery time, high complexity, and small-lot sizes.	

・	Risks related to changes in competition/competitive environment		
☐	Probability of occurrence: Medium	☐	Degree of potential impact: Large
●	Risk details In domestic and overseas markets, as competitors, low-priced products and new entrants from other industries intensify the competition in the market, although the Company has revised its sales strategy, we may fail to make appropriate proposals in terms of products, services, advertising and sales promotion, and business category development, which may result in a decline in brand recall / recognition and a loss of sales share, and a decline in business performance in a long-term.		
●	Countermeasures An increase in competition will lead to lower prices, increased advertising costs, and reduced sales and market share, which will significantly impact the business, performance and financial position of our group. In order to improve profitability and return to a growth trajectory at Wacoal Corp., we believe it is essential to continue to offer products and services that draw out customers' individuality and empower them, by making use of our competitive advantages such as customer database accumulated over many years, research and knowledge on a wide range of body types, manufacturing technology that realizes comfort, and organizational capability to provide services tailored to personalized needs, combined with digital technology, based on our customer-oriented strategy. In addition to accelerating the realization of the benefits of the Wacoal brand rebranding, we are working to strengthen our presence in markets where we can leverage our strengths, such as the senior market, the high-support underwear segment, and the high-price segment. Furthermore, in our overseas business, we are enhancing our customer-centric product assortment by focusing on best-selling items. In Europe, we are expanding our "Most Loved Styles" initiative to improve the product adoption rate and SKU efficiency, in the U.S., we are introducing "smart size" products that are easy for customers to purchase to drive e-commerce sales growth, and in China, we are rapidly adjusting our product mix to align with best-selling items, all with short lead times.		

・	Risks related to changes in consumer values		
☐	Probability of occurrence: Medium	☐	Degree of potential impact: Large
●	Risk details Our brand strategy, products, or services may not match the changes in consumer values and we may fail to attract customers or may lose customers, resulting in a decline in business. In addition, failure in brand management and marketing mix may result in unsuccessful attraction of younger generations of customers, while defection of existing customers may damage our brand value. Further, as import prices of raw materials and products increase due to soaring resource prices, higher wages and changes in the foreign exchange market, if we fail to realize the provision of customer value that corresponds to the prices of products, it may result in a failure to acquire new customers and/or a loss of existing customers.		
●	Countermeasures In terms of our customer strategy, we utilize digital technology to promote the provision of an optimal customer experience. We have expanded our in-store 3D measurement service, "SCANBE," to include new offerings such as "Fashion Framework Analysis," "Bra Recommendations Based on Body Type," and "Body Alignment Analysis," thereby building deeper, broader, and longer-lasting relationships with our customers. As for our channel strategy, we are working to streamline our wholesale operations by launching a service that allows customers to "reserve" or "order" products from our own e-commerce site. With regards to brand strategy, in addition to enhancing brand value, maximizing customer experience, and continuing to build a demand-driven SCM we are working to expand each brand through large-scale promotions for CW-X and the development of new business formats and markets.		

・ Risks related to development of new markets and customers	
☐ Probability of occurrence: Medium	☐ Degree of potential impact: Large
● Risk details In light of a relative decline in customers' interest in innerwear and fashion and the shrinking domestic market due to a decline in population and fewer children with an aging society in Japan, our group is working to develop new markets by developing overseas markets and entering into new business categories and fields. However, if we fail to respond to consumers' values which are likely to diversify further and to generate the planned outcome, it may affect our group's business performance.	
● Countermeasures In the domestic market, we are struggling to acquire new customers due to lack of developed products and marketing measures that can stimulate purchase motivation among potential customers who have little contact with our brands, particularly the young and those oriented for products at affordable prices. With the goal of acquiring new customers and fostering loyalty among existing ones, we are strengthening personalized customer experiences by developing new touchpoints through digital channels such as Wacoal Members and our official app, further expanding our OMO initiatives, and offering point rewards tailored to specific actions and customer attributes. We have also begun to visualize feedback from sales staff and customers, and are striving to adapt to the increasingly diverse values of consumers. In Europe, we seek to accelerate the conversion to e-commerce-focused business model by investing in digital marketing aggressively, aiming for business growth of the brand portfolio developed by the group, including "WACOAL" brand on Bravissimo's e-commerce site and introducing the British brand "elomi" on our own U.S. e-commerce site. In the U.S., we have launched loyalty programs and personalized advertising campaigns on our own e-commerce site using a CRM system. In China, we conduct an omnidirectional review of our channel strategy to select and concentrate on profitable sales channels, with e-commerce as a core. In addition, we are leveraging digital tools such as live sales, online advertising, and social media to promote the strengths of Wacoal's products.	

・ Risks related to securing and/or developing human resources/personnel	
☐ Probability of occurrence: High	☐ Degree of potential impact: Medium
● Risk details If we fail to secure and/or foster human resources/personnel especially for manufacturing (planning, technical and R&D capabilities), IT and digital technology, sales representative, personnel specialized in the area of management of foreign companies and logistics, we may not achieve future growth or gain advantages against competitors, which may adversely affect our group's business performance. If we cannot efficiently assign sales staff, it could lower the efficiency of personnel expenses and motivation, potentially leading to sluggish business results.	
● Countermeasures Our group hires and retains necessary personnel by implementing new recruiting methods such as job-focused employment and develops human resources through group lectures and online professional expertise training, and enhances opportunities for onsite training through our on-the-job training, and cross-industry learning conducted jointly by other companies. In addition to expanding mid-career hires, we are also focusing on hiring based on referrals in an effort to revitalize our group by securing a diverse workforce. Further, in order to realize balanced treatment (compensation system) based on professional duties and roles, including the implementation of revisions to starting salaries and increases in base salaries, we are promoting institutional reforms that make clear our stance to invest in human capital such as treatment according to work value and achievement, and a review of role-based pay to secure human resources who play a central role in our businesses and create future value.	

(2)-2 Operational Risks

・ Risks related to information system availability failures	
☐ Probability of occurrence: High	☐ Degree of potential impact: Large
● Risk details In the event business continuity becomes difficult due to errors or delays in system development, or failure of critical systems, we may lose the trust of all stakeholders, including our business partners and customers. If the core system or e-commerce website become inaccessible due to the opening of targeted emails, ransomware infections resulting from cyberattacks on externally accessible IT devices or natural disaster damage, or if confidential information is leaked from file servers or employee's PCs, our business may be adversely affected.	
● Countermeasures The Company prescribes "Basic Policies on Information Security," "Regulations on Information Security" and others to promote understanding of the necessity and responsibility of information protection among all employees. We have established the Subcommittee for Information Security under the Corporate Ethics and Risk Management Committee to identify, investigate, and analyze information security risks, and to develop systems aimed at preventing incidents and minimizing their impact should they occur. Specifically, with the aim of improving the group's overall information security standards, we are working toward continuous improvement by implementing initiatives led by the head office, such as identifying and monitoring each company's externally accessible IT assets, deploying multilingual training tools, and assessing and monitoring the status of security measures at each company. In addition, to prepare for potential cyber incidents, we are establishing systems designed to prevent the spread of damage and ensure rapid recovery, including response procedures and business continuity measures.	

・ Risks related to inadequate information management	
☐ Probability of occurrence: Medium	☐ Degree of potential impact: Large
● Risk details In the event of leakage or loss of confidential information or personal information due to inadequate information management, we may be affected adversely in our business activities and suffer significant loss such as loss of social credibility and suspension of business operations.	
● Countermeasures The Company has established the "Regulations on Information Security," "Rules on Protection of Personal Information" and others to appropriately classify all information treated in terms of confidentiality, consistency and availability, as well as to protect and prevent leaks. In addition, we ensure thorough management and protection of information by category including management, business and sales strategies, product development, proprietary know-how, personal information, and information systems, through measures such as maintaining a list of the group's material information. We handle personal information of our various customers for business purposes. Wacoal Corp. addresses customer strategy, which is to provide the best customer experience to each person by utilizing digital technology, as the pillar of our growth, and promotes the engineering of the business model using digital data including collected personal information. Furthermore, as we continue to expand our e-commerce operations overseas where we directly collect customers' personal information, the protection of personal information remains one of the top priorities in the group's business activities. The Subcommittee for Information Security, established under the Corporate Ethics and Risk Management Committee, is responsible for strengthening the protection and management of personal information, complying with related laws and regulations, and educating our employees, and also conducts surveys on information management status and provides continuous guidance and advice on countermeasures for our domestic and overseas associated companies, in order to protect personal information from external threats.	

・	Risks related to fluctuations in bond markets and interest rates		
□	Probability of occurrence: Medium	□	Degree of potential impact: Large
●	Risk details Impairment of intangible assets (such as goodwill and trademark rights) may occur if the market value of listed stocks and bonds held declines, or if the recoverable amount decreases due to rising interest rates or economic uncertainty. In addition to that, a decline in valuation and underfunding of plan assets may require additional contribution or provisions, which may affect our group's business performance.		
●	Countermeasures Please see "IV. Information on the Company – 4. Corporate Governance, etc. (5) 【Information on Shareholdings】" for information on shareholdings by the Company and Wacoal Corp., our specified wholly owned subsidiary. During the term of the revised medium-term management plan (from March 2024 to March 2026), we decided to reduce our overall strategic shareholdings by approximately 30.0 billion yen (at market value as of the end of March 2023) to below 10% of consolidated net assets in order to improve capital efficiency, and during the fiscal year ended March 31, 2026, we disposed of and reduced 19 stocks amounting to approximately 25.1 billion yen (at market value as of the end of March 2023). However, due in part to a rise in stock prices, the ratio of these holdings to consolidated net assets stood at 19.3% as of the end of March 2026. Going forward, we plan to reduce our strategic shareholdings by approximately 20.0 billion yen (based on market value as of March 31, 2026) by the end of the fiscal year ending March 2029, bringing the ratio to less than 15% of consolidated net assets. In addition to that, costs and obligations for termination and retirement benefits are based on the actuarial assumptions that are used for the calculation of the expected rate of return on plan assets or projected benefit obligations for termination and retirement benefits. Such costs and obligations for termination and retirement benefits may increase if the actual results differ from the assumptions or if there is any change to the assumptions, due to fluctuations in the market for securities as well as the interest rate environment. Our approach to establishing the discount rate is based upon domestic corporate bond indices. For discount rates, please see "V. Financial Information – Notes to the consolidated financial statements, 23. Employee Benefits." In order to fulfill the expected functions as an asset owner of a corporate pension plan, we have established the Pension Committee, composed of the heads of Finance, Human Resources and Accounting Divisions, to review asset management policy, policy asset composition, and other matters on a quarterly basis, while using an outside management consulting firm to supplement our expertise and knowledge.		

・	Risks related to natural disasters and accidents		
□	Probability of occurrence: Medium	□	Degree of potential impact: Large
●	Risk details Natural disasters such as earthquakes, fires, or explosions may cause damage to business and production sites, and our employees may suffer damages. In addition, closed traffic, energy outage, blocked internet lines, or damages to large retail stores, directly managed stores, e-commerce website or logistics networks may trigger disruption in our operation.		
●	Countermeasures In preparation for large-scale accident emergencies such as "earthquake directly beneath the Tokyo metropolitan area," the Subcommittee for BCP and Disaster Control Measures, established under the Corporate Ethics and Risk Management Committee, is working on business continuity management from the perspectives of prevention/mitigation, emergency/first response, and recovery/restoration, including the sequential development of a BCP plan in the event of damage to our major business sites. Specifically, in addition to the environmental improvements such as earthquake-resistant buildings, cloud computing for data-related servers, employee safety confirmation system in the event of a disaster, and remote work, we are also working to reduce risks by establishing operational backup systems at sales offices and decentralized arrangement of production sites in times of emergency, in line with our social responsibility.		

・	Risks related to perception of corporate ethics and compliance	
☐ Probability of occurrence: High		☐ Degree of potential impact: Medium
●	Risk details We may be pointed out and publicized by a third party on human rights, labor or environmental issues in our supply chain, which may affect our business activities or damage our corporate value. In addition, an increase in violations of corporate ethics and compliance, or problems with advertising expressions and statements, including those on social media or blogs, and other websites, could lead to a loss of public trust and may adversely affect our group's performance.	
●	Countermeasures In the event of any violation of laws and regulations in Japan and overseas applicable to our group, or any act in contrary to any social order, we may suffer an economic and/or social impact as a result of punishment or loss of trust from society. We have not only established the "Corporate Ethics: Wacoal Standards of Conduct," which were distributed to our employees to ensure that they are well informed of it, but also made efforts to strengthen legal compliance by expanding measures such as compliance awareness training for employees, an internal alert system, and compliance review by external experts through the activities of the Subcommittee for Compliance, which was established under the Corporate Ethics and Risk Management Committee. In the fiscal year ended March 2026, we promoted compliance awareness activities, including compliance training for newly appointed Managers and compliance training for manager position with more than 10 years of service, e-learning and continuation of the regular publication of the Group Compliance Newsletter ("Konpura Kawaraban"). In particular, we focus on labor and human rights issues in our supply chain for our group's businesses. We faced concerns raised by a non-profit human rights organization in the past about working conditions and human rights issues at an overseas sewing factory with which our consolidated subsidiary had a contract. In Japan, it was discovered that there were unpaid overtime allowances for foreign technical intern trainees at a secondary manufacturing contractor. Through the activities of the Subcommittee for CSR Procurement, which was established under the Sustainability Committee, we are currently proactively making efforts to conduct on-site audit from the perspectives of respect for human rights, harmony with environment and society, compliance with laws and regulations, labor practices and business practices, and to formulate and monitor correction and/or improvement plans. During the current fiscal year, we conducted self-assessments at all contract manufacturers' facilities to assess their compliance with the provisions of our "CSR Procurement Guidelines," and provided feedback on the results of these assessments. We have also disclosed a list of contract manufacturers involved in our CSR procurement activities on our website.	

・	Risk related to infringement or violation of intellectual property rights	
☐ Probability of occurrence: High		☐ Degree of potential impact: Medium
●	Risk details Infringement or violation of intellectual property rights may result in litigation or economic loss. In recent years, there has been a proliferation of "spoof advertisements that lead to fake websites" on the Internet that spoof our brand names. Failure to take appropriate measures such as alerts to customers and elimination of such spoof advertisements and fake websites could lead to a loss of trust from consumers and markets, and failure to strategically protect or utilize intellectual property rights may affect our business.	
●	Countermeasures Our group recognizes that intellectual property rights are involved in all business activities and are important assets to ensure our competitive advantage. In order to protect and utilize intellectual property rights for our brands, proprietary technologies, designs and services as a source of competitiveness, while respecting and avoiding infringement of the intellectual property rights of other companies, we educate our employees by holding seminars and share information on trends of intellectual property in the industry to promote proper understanding. We are also enhancing the knowledge of the department in charge of intellectual property by strengthening cooperation with the outside experts to protect and utilize the intellectual property rights in DX and CX strategies and new businesses. In addition, we take strict measures against infringement of intellectual property rights in Japan and overseas, including counterfeit products and unauthorized use of our trademarks and patents by other companies, by asserting our rights against the infringing parties. In recent years, with regard to the damage to brand value due to the borderless nature of the e-commerce business, particularly the emergence of "spoof" advertising and sales that spoof our brands, mainly through social networking services ("SNS"), we are making efforts to protect our consumers and brands beyond Japan, by alerting our customers, tracking and monitoring sales channels, etc. in collaboration with the Kyoto Prefectural Police, and implementing elimination measures. To address this issue, we are collaborating with other companies that have suffered similar harm and, as an intellectual property industry association, are working with social media operators and the government to develop countermeasures.	

・	Risks related to appeal to express due to acceleration of digital marketing, labeling of quality and care instructions	
☐ Probability of occurrence: High		☐ Degree of potential impact: Medium

● Risk details

In digital marketing, the content of messages on social networking services, including those involving employee participation, and the occurrence of issues related to the expression and comments on sustainability on websites, may cause social problems, including negative campaigns and defamation of the sender, which may adversely affect our business performance. In addition to that, quality labeling and violations of Pharmaceutical Affairs Law, and inappropriate expressions in stealth marketing may damage public trust. We may suffer economic loss due to costs incurred to recall or change the labeling of products, or due to the discontinuation of sales.

● Countermeasures

We recognize that quality labeling, which helps the consumers to select and use products appropriately, covers a wide range of areas, including statutory labeling attached to the products themselves, in-store and media advertising and promotion, promotional expressions, and intellectual property protection labeling, and that this is a case in which risks are likely to become apparent. We are also aware of the risk that our transmissions and the words and actions of our participants through social networking services on the back of overheating digital marketing are exposed to social criticism, or in recent years the risk that such social criticism spreads regardless of the truth of their content.

Through the activities of the Quality Assurance Council and the Quality Control Committee under the Corporate Ethics and Risk Management Committee, we have established and are operating a rule-based system that includes a labeling confirmation system based on a double-checking at the department that determines the content of labeling, systemization of the labeling determination process to the extent possible, prompt response to labeling errors when they occur, and thorough investigation of the cause and implementation of countermeasures to prevent recurrence after a problem occurs. We also regularly conduct internal awareness raising activities and training for those in charge of quality labeling.

We are striving to fulfill our social mission by establishing a system to have the Sustainability Committee and/or related departments check our expressions and comments on sustainability on websites during operation.

At the same time, we have established SNS operation rules for each domestic and overseas associated company in light of their business environment to ensure that our employees are aware of such rules, and we are promoting training for our employees in marketing and communications departments to check the content of transmissions in advance and judge whether they are appropriate or not. In addition, with regard to “spoof” advertising and sales that spoof our brands, we not only alert consumers but also focus firmly on tracking and monitoring sales channels and implementing elimination measures, etc.

Furthermore, the Company is working to mitigate risks by formulating and revising various guidelines in connection with the Antimonopoly Act, Act against Unjustifiable Premiums and Misleading Representations, and the Pharmaceutical Affairs Law, and by providing training for employees through e-learning and holding seminars. In addition, with respect to functionality and efficacy expression, we are reorganizing the notation rules along with the collaboration among the commercialization planning department, the research department and the quality assurance department, and we are establishing a system to supervise evidence data with an outside institution.

・ Risks related to quality assurance in design and manufacturing	
☐ Probability of occurrence: Medium	☐ Degree of potential impact: Medium
● Risk details If we sell defective products or if our products harm our customers' health, we may suffer costs for compensation to customers and product recalls and our reputation as a producer of high-quality products may be damaged and we may lose trust from society, which may adversely affect our business performance.	
● Countermeasures Our ability to provide high-quality products on a global basis is one of our strengths. We established the Quality Assurance Council as a subcommittee of the Corporate Ethics and Risk Management Committee, and while we maintain our safety guidelines, we are also working to ensure compliance with safety clearance rules upon product planning, design and development, thorough inspections during manufacturing, pursuing the causes of problems and formulating measures to prevent their recurrence. By horizontally deploying and sharing about these activities and information across our group's domestic and overseas associates, as well as by hosting quality exhibitions to showcase products that have been submitted for display, we are raising quality awareness and raising the level of the management system across our group as a whole. Under the direction of the Quality Assurance Council, we operate the Quality Control Committee, which is composed of members elected by each department responsible for commercialization plans, and which operates to follow up on individual issues and conducts internal training on quality control in general. In addition to thorough quality control and inspection as stipulated, the production sites are working to eliminate products that do not meet standards under the operation of product acceptance lock system (acceptance of only products that meet material standards), and standardize the skills of inspection personnel.	

・ Risks related to social changes in emerging countries	
☐ Probability of occurrence: Medium	☐ Degree of potential impact: Medium
● Risk details Our group, which has production bases in emerging countries, may experience delays in materials procurement and production due to political instability, legal or institutional changes, the occurrence of strikes, or difficulties in securing human resources, or delays in improvement in business efficiency or a large amount of new investment required due to the continuation of protectionism policies (such as import tariffs and restrictions on foreign investment), which may affect our business performance.	
● Countermeasures At all times, we pay close attention to trends in laws and regulations in each country and region, and make efforts to collect and analyze local information. We are working to develop and implement measures to understand the actual situation in the community in cooperation with the local "risk control manager," and if necessary, with the support from an outside counsel, consultant or other specialized organizations. In addition to trends in laws and regulations, we pay close attention to the responses to human rights issues in Myanmar, which continues to be under the control of the military regime. Also, in light of geopolitical risks, we are working to mitigate risks by appropriately diversifying our production bases. Other than these, in India where high import tariffs are applicable, we strive to strengthen our competitive advantage by increasing the ratio of product planning / production in the country.	

・	Risks related to management of tax matters		
☐	Probability of occurrence: Medium	☐	Degree of potential impact: Medium
●	Risk details A large amount of taxation due to tax reform or investigation on transfer pricing may affect our group's financial position and business performance, in addition to reputational damage.		
●	Countermeasures According to our current accounting standards, deferred tax assets are recorded based on reasonable assumptions about our future taxable income. However, deferred tax assets may decrease due to changes in the estimated amount of future taxable income or changes in tax rates following tax reforms, which could have an adverse impact on our group's business performance and financial position. Based on this, the Company reviews, as appropriate, its estimates of future taxable income in light of changes in the business environment and other factors to make a reasonable judgment of collectability. We have formulated our "Tax Code of Conduct" with the aim of complying with the laws and regulations of countries and regions in which we operate, as well as international tax laws, managing taxes in a highly transparent manner, and gaining the trust of our stakeholders. The Tax Code of Conduct provides guidelines for domestic and foreign consolidated subsidiaries to establish a group tax system, including obtaining the latest information on taxation and awareness activities through training, dealing with uncertain tax positions, application of preferential tax treatment, transactions among group companies, prohibition of tax avoidance, and disclosure on tax matters. The status of application of guidelines described in the said Code is monitored by receiving reports from domestic and overseas consolidated subsidiaries at the end of each fiscal year, along with the status of the responses based on the IFRIC23 guidelines. In addition, we are working to improve our group's tax system by tracking the trends in tax reform and international taxation, including BEPS, and sharing the latest information with our domestic and overseas consolidated subsidiaries as appropriate.		

4. 【Analyses of Financial Position, Results of Operation, and Cash Flows by Management】

The overview of financial position, results of operation and cashflows ("business performance, etc.") of our group (the Company, consolidated subsidiaries and equity method associates) and analysis and consideration of business performance from the viewpoint of management for the current fiscal year are as follows.

Any forward-looking statements contained below are based on our judgment as of the end of the current fiscal year.

(1) Results of operation

(Millions of Yen)

	Previous Fiscal Year (ended March 2025)	Current Fiscal Year (ended March 2026)	Increased/(Decreased) from previous fiscal year	
			Amount	%
Revenue	173,896	171,510	(2,386)	(1.4)%
Cost of sales	76,452	73,279	(3,173)	(4.2)%
Sales profit	97,444	98,231	+787	+0.8%
Selling, general and administrative expenses	100,881	98,692	(2,189)	(2.2)%
Business loss	(3,437)	(461)	+2,976	–
Other income	11,211	24,080	+12,869	+114.8%
Other expenses	4,486	3,742	(744)	(16.6)%
Operating profit	3,288	19,877	+16,589	+504.5%
Finance income	2,170	2,075	(95)	(4.4)%
Finance costs	591	785	+194	+32.8%
Share of profit of investments accounted for using equity method	813	(1,514)	(2,327)	–
Profit before tax	5,680	19,653	+13,973	+246.0%
Net profit attributable to owners of parent	7,218	13,124	+5,906	+81.8%

During the current fiscal year (April 1, 2025 to March 31, 2026), the domestic business environment was expected to maintain a gradual recovery trend due to improvements in employment and income conditions, as well as the effects of various policies. However, the outlook became uncertain due to fluctuations in financial and capital markets, the escalating tensions in the Middle East, and developments in U.S. trade policies. Outside Japan, while the United States continued to experience a gradual economic expansion, the pace of the economic expansion declined partly due to a recent slowdown in personal consumption, associated with rising price risks resulting from soaring energy prices and supply constraints. Europe saw signs of recovery, particularly in export-related sectors; however, soaring energy prices became a headwind, and this recovery remained gradual. In China, while there were signs of recovery partly due to policy effects, the recovery in personal consumption is somewhat slow. As such, the economic conditions surrounding the group have become varied across different regions.

Under such circumstances, our group has continued to promote the initiatives of "business model reforms to improve profitability," "growth strategy to achieve VISION2030," "introducing of return on invested capital ("ROIC") management" and "promoting of asset reduction." In Japan, the core brand "WACOAL" shifted to a recovery trend in the second half of the year due to the effects of certain initiatives. Additionally, the high-priced "Salute" brand saw strong performance with its revival line chosen by customer votes, significantly surpassing the previous year's levels. These results reflect the success of product and promotion strategies. Additionally, the conditioning wear brand "CW-X," maintained strong performance. The increased exposure from Shohei Ohtani wearing the products contributed to this success, with significant growth seen in arm supporters. As part of our customer strategy, our "Bra Recommendations Based on Body Type," which we began offering on our own e-commerce website in July 2025, surpassed a cumulative total of 500,000 unique users by March 31, 2026, providing a personalized shopping experience to many customers. Outside Japan, the Bravissimo Group Limited (the "Bravissimo Group") in the United Kingdom, which was affected by a logistics warehouse fire in June 2025, worked towards an early recovery of its logistics system. It gradually resumed shipping orders from our e-commerce website in September 2025, and by February 2026, the affected logistics warehouse was completely restored. Additionally, in the United States, aiming to expand sales, capture market share in the plus-size segment, and improve profitability, we decided to acquire Glamorise Foundations, Inc. ("Glamorise") through Wacoal Direct Corp., a subsidiary of Wacoal International Corp. (U.S.), on March 30, 2026. Glamorise is a brand specializing in the plus-size segment and holds a different market position from Wacoal International Corp. (U.S.). Additionally, a significant portion of its sales comes from the e-commerce channel, which will accelerate the growth of our e-commerce business in the United States. The impact of this acquisition on the consolidated financial results for the current fiscal year is immaterial. In addition, we continued striving to improve asset efficiency by selling the Shin-Kyoto Building and repurchasing treasury stock, among other measures.

With respect to revenue, in addition to stagnant sales from our women's innerwear products in major countries, following a reevaluation of our business portfolio from the previous fiscal year to the current fiscal year, and as a result of selling some of our underperforming businesses, there was a negative impact on revenue in the current fiscal year. In terms of profits, our gross profit margin improved due to a higher retail sales ratio resulting from the handling of underperforming businesses and the acquisition of the Bravissimo Group, as well as cost control measures implemented at each operating company. While the gain on sale of property, plant and equipment related to the sale of the Shin-Kyoto Building (19,545 million yen), as described above, contributed to an increase in operating profit, we reevaluated the value in use of the goodwill related to Wacoal Europe Ltd. in light of slowing market growth in major sales channels and pressure on profit ratio due to U.S. tariffs and an increase in selling, general and administrative expenses caused by inflation, and recorded an impairment charges of 1,006 million yen.

As a result of the above, for the current fiscal year, consolidated revenue was 171,510 million yen (a decrease of 1.4% as compared to the previous fiscal year), consolidated business loss was 461 million yen (as compared to a business loss of 3,437 million yen for the previous fiscal year), consolidated operating profit was 19,877 million yen (an increase of 504.5% as compared to the previous fiscal year), consolidated profit before tax was 19,653 million yen (an increase of 246.0% as compared to the previous fiscal year), and consolidated profit attributable to owners of parent was 13,124 million yen (an increase of 81.8% as compared to the previous fiscal year).

The key exchange rates used for the current fiscal year (the previous fiscal year) were: 150.77 yen (152.58 yen) to the U.S. dollar; 202.10 yen (194.61 yen) to the Pound sterling and 21.25 yen (21.10 yen) to the Chinese yuan.

The following is a summary of results of operations by operating segments.

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2025)		Current Fiscal Year (ended March 31, 2026)		Increased/(Decreased) from previous fiscal year	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Total Revenue	173,896	100.0	171,510	100.0	(2,386)	(1.4)
Wacoal Business (Domestic)	87,828	50.5	87,723	51.2	(105)	(0.1)
Wacoal Business (Overseas)	67,237	38.7	68,468	39.9	+1,231	+1.8
Peach John Business	10,469	6.0	11,144	6.5	+675	+6.4
Other	8,362	4.8	4,175	2.4	(4,187)	(50.1)

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2025)		Current Fiscal Year (ended March 31, 2026)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating profit (loss)	3,288	1.9	19,877	11.6	+16,589	+504.5
Wacoal Business (Domestic)	2,970	3.4	18,791	21.4	+15,821	+532.7
Wacoal Business (Overseas)	419	0.6	488	0.7	+69	+16.5
Peach John Business	(266)	–	149	1.3	+415	–
Other	165	2.0	449	10.8	+284	+172.1

(i) Wacoal Business (Domestic)

During the current fiscal year, results varied across brands, business segments, and channels. Wacoal Corp., our core business company, was affected by the closing of physical stores and a decrease in customer visits. However, its revenue exceeded that of the previous fiscal year due to the growth of its e-commerce business and the success of product and promotional strategies for certain brands. On the other hand, the sluggish performance of our sales companies, Unenana Cool Corp. and Linge Noel Co., Ltd., impacted the segment overall, resulting in revenue falling below the level of the previous fiscal year.

With respect to brand trends, sales from “CW-X” brand, which strengthened promotions and expanded the number of stores, “GOCOCi” brand, which mainly offers wireless bras, and “Wing” brand, whose “Synchro Bra Top” continues to receive positive feedback, and the high-priced “Salute” brand all exceeded the levels of the previous fiscal year. “WACOAL,” which underwent rebranding in the previous fiscal year, also began to show signs of recovery from the second half of the fiscal year. Furthermore, sales in the SPIRAL Business grew, driven by strong performance from new store openings. On the other hand, sales from “AMPHI” brand, which mainly operates directly managed stores, as well as from Unenana Cool Corp., Linge Noel Co., Ltd., and our nightwear products which are mainly sold at department stores, remained stagnant due to the impact of store closures, downsizing of sales floor space, and a decline in the number of customers visiting retail stores.

By sales channel, while the impact of store closures by wholesale customers is on a declining trend, sales continue to be sluggish due to the significant impact of a decline in the number of customers visiting physical stores. On the other hand, sales from both our own e-commerce websites and third-party e-commerce websites continue to achieve strong growth, which compensates for the struggles faced by physical stores.

As a result of the above, revenue attributable to our “Wacoal Business (Domestic)” segment was 87,723 million yen (a decrease of 0.1% as compared to such revenue for the previous fiscal year). Operating profit significantly increased to 18,791 million yen (an increase of 532.7% as compared to such operating profit for the previous fiscal year), due to the gain on sale of property, plant and equipment related to the sale of the Shin-Kyoto Building.

(ii) Wacoal Business (Overseas)

During the current fiscal year, revenue from Wacoal International Corp. (U.S.) fell below the level of the previous fiscal year due to market shrinkage for physical stores, in addition to the growth of the e-commerce business being less than expected. By sales channel, sales from our stores in department stores continued to face challenges due to the impact of store closures by major wholesale customers. While sales to consumers remained strong, e-commerce delivery was sluggish due to severe purchase restraints on major e-commerce platforms. Since the tariff rate on brassiere imports from the Dominican Republic, our main production base, was reduced to 0% effective at the end of February 2026, the impact of soaring costs resulting from tariffs has been declining since then.

Revenue from Wacoal Europe Ltd. increased from the level of the previous fiscal year due to the contribution of sales from the Bravissimo Group, which we acquired in September 2024. A fire at a logistics warehouse in June 2025 led to a negative impact on revenue. However, this logistics warehouse is covered by fire insurance, and the insurance payments covered the majority of not only the physical loss and damage to property such as inventory and buildings, but also the lost profits resulting from the suspension of shipments and inventory shortages.

Wacoal China Co., Ltd. continued to face challenging conditions at both our physical stores and e-commerce websites due to consumers' growing price sensitivity. We have been renovating stores to update the storefront image and promoting full-price sales to improve profit margins and highlight our brand value among other initiatives, and have achieved some success; however, these measures have not yet yielded the desired results, and sales were lower than the previous fiscal year.

As a result of the above, revenue attributable to our "Wacoal Business (Overseas)" segment was 68,468 million yen (an increase of 1.8% as compared to such revenue for the previous fiscal year). Operating profit was 488 million yen (an increase of 16.5% as compared to such operating profit for the previous fiscal year) due to recording one-time expenses related to the acquisition of Glamorise and an impairment charges on goodwill related to Wacoal Europe Ltd.

(iii) Peach John Business

During the current fiscal year, our communication measures and product strategies focused on strengthening the acquisition of new customers continued to be effective from the previous fiscal year, leading to growth in sales across all sales channels, particularly in e-commerce. In terms of products, sales from our standard products such as the "Nice Body Bra" series drove overall sales, and the "Ribbon Motif Bra" and nightwear, which featured celebrities for the autumn/winter season, also expanded steadily. In addition, discount sales remained strong, helping to underpin overall performance.

As a result of the above, revenue attributable to our "Peach John" segment was 11,144 million yen (an increase of 6.4% as compared to such revenue for the previous fiscal year). Operating profit was 149 million yen (as compared to an operating loss of 266 million yen for the previous fiscal year).

(iv) Other

Revenue attributable to our "Other" business segment was 4,175 million yen (a decrease of 50.1% as compared to such revenue for the previous fiscal year) due to the exclusion of Nanasai Co., Ltd. and Lecien Corporation from the scope of our consolidation. On the other hand, operating profit significantly increased to 449 million yen (an increase of 172.1% as compared to such operating profit for the previous fiscal year) due to the contribution of gain from certain business transfers at our consolidated subsidiary.

(Reference) Revenue and Operating Profit/ (Loss) of Major Subsidiaries

(Millions of Yen)

Revenue	Previous Fiscal Year (ended March 31, 2025)		Current Fiscal Year (ended March 31, 2026)		Increased/(Decreased) from previous fiscal year	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Wacoal Corp.	82,369	47.4	82,998	48.4	+629	+0.8
Wacoal International Corp. (U.S.)	24,917	14.3	22,952	13.4	(1,965)	(7.9)
Wacoal Europe Ltd.	25,201	14.5	30,829	18.0	+5,628	+22.3
Wacoal China Co., Ltd.	9,085	5.2	7,481	4.4	(1,604)	(17.7)
Peach John Co., Ltd.	10,469	6.0	11,144	6.5	+675	+6.4

*Revenue to external customers only

(Millions of Yen)

Operating profit (loss)	Previous Fiscal Year (ended March 31, 2025)		Current Fiscal Year (ended March 31, 2026)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Wacoal Corp.	6,180	7.5	18,549	22.3	+12,369	+200.1
Wacoal International Corp. (U.S.)	681	2.7	(335)	–	(1,016)	–
Wacoal Europe Ltd.	857	3.4	2,180	7.1	+1,323	+154.4
Wacoal China Co., Ltd.	(1,844)	–	(853)	–	+991	–
Peach John Co., Ltd.	(266)	–	149	1.3	+415	–

(2) Financial Position

Our total assets as of March 31, 2026 were 292,315 million yen, an increase of 19,570 million yen from the end of the previous fiscal year, mainly due to an increase in cash and cash equivalents.

Our total liabilities were 79,870 million yen, an increase of 2,245 million yen from the end of the previous fiscal year, mainly due to increases in income taxes payable and deferred tax liabilities, despite decreases in borrowings and trade and other payables.

Equity attributable to owners of parent was 209,598 million yen, an increase of 17,551 million yen from the end of the previous fiscal year, mainly due to an increase in retained earnings due to the sale of the Shin-Kyoto Building.

As a result of the above, the ratio of equity attributable to owners of parent to total assets as of March 31, 2026 was 71.7%, an increase of 1.3 points from the end of the previous fiscal year.

(3) Cash Flow Status

Cash and cash equivalents as of March 31, 2026 were 44,170 million yen, an increase of 20,751 million yen from the end of the previous fiscal year.

(Cash flow provided by operating activities)

Cash flow provided by operating activities was 8,487 million yen, an increase of 3,522 million yen as compared to the previous fiscal year, after adjustments to our net profit of 12,941 million yen for changes in assets and liabilities, depreciation, amortization, income tax expense and other items.

(Cash flow provided by investing activities)

Cash flow provided by investing activities was 36,097 million yen, an increase of 26,715 million yen as compared to the previous fiscal year, mainly due to proceeds from sale of property, plant and equipment.

(Cash flow used in financing activities)

Cash flow used in financing activities was 26,286 million yen, an increase of 3,334 million yen as compared to the previous fiscal year, mainly due to repurchase of treasury stock.

(4) Production, Orders Received, and Revenue

(i) Production Results

Our consolidated production results by operating segment for fiscal year ended March 2026 are as follows. No data is available for the Peach John Business since all of its entities are sales companies. The production results for Other segment are not shown since it is hard to define such term in this segment.

Name of Operating Segment	Amount (Millions of yen)	Changes as Compared to Previous Fiscal Year (%)
Wacoal Business (Domestic)	33,374	94.4
Wacoal Business (Overseas)	17,423	95.9
Total	50,797	94.9

(Notes) 1. Inter-segment transactions are offset and eliminated from calculation.
2. The amount of results of operation is based on the manufacturing costs.

(ii) Orders Received

Our group mainly produces products based on our sales plans. While some of our products are produced on a build-to-order basis, the amounts of orders received and balance of orders received are immaterial, and thus, such information is omitted.

(iii) Revenue Results

Our consolidated sales results by operating segment for fiscal year ended March 2026 are as follows:

Name of Operating Segment	Amount (Millions of yen)	Changes as Compared to Previous Fiscal Year (%)
Wacoal Business (Domestic)	87,723	99.9
Wacoal Business (Overseas)	68,468	101.8
Peach John Business	11,144	106.4
Other	4,175	49.9
Total	171,510	98.6

(Notes) 1. Inter-segment transactions are offset and eliminated from calculation.
2. Revenue Results of Other decreased due to the removal of Lecien Corporation from the scope of consolidation, resulting from a transfer of its shares.
3. None of the customers' sales accounts for 10% or more of the total sales results.

(5) Capital Resources and Liquidity

Our current policy is to fund our cash needs from cash flows from operating activities, which allows us to secure most of working capital, make capital investments, and pay dividends without relying on substantial borrowings or other financing from outside of our group companies. As of March 31, 2026, we had credit facilities at financial institutions totaling 52,100 million yen, and the balance of loan which established line of credit amounted to 11,922 million yen. Of these loans, 7,780 million yen is available to the Company and 3,388 million yen is available to Wacoal Europe Ltd.

In general, most of our credit facilities have automatically renewed terms, and we are not aware of any issues with respect to any of our lenders that could cause these facilities to become unavailable. Even if any of our subsidiaries loses access to funds from our credit facilities, we believe that it is possible for other companies in our group to provide any necessary funds. Our borrowing requirements are not affected by seasonality.

We are not aware of any restrictions on the transfers of funds from a subsidiary to a parent company in the form of a cash dividend.

We plan to continue securing liquidity of our funds based on strict assessment of purpose and profitability.

(i) Capital Investments

Please see “III. Property, Plants and Equipment – 1. Summary of Capital Investment, etc.”

(ii) Cash Flows

Please see “(3) Cash Flow Status.”

(6) Significant Accounting Estimates and Assumptions

The consolidated financial statements of our group are prepared in accordance with IFRS Accounting Standards. The preparation of the consolidated financial statements requires our group to make significant estimates and assumptions.

The significant accounting policies, accounting estimates and assumptions used in making such estimates are described in “V. Financial Information – 1. Consolidated Financial Statements (1) Consolidated Financial Statements, Notes to the consolidated financial statements, 3. Significant Accounting Policies and 4. Significant Accounting Estimates and Judgments.”

5. 【Material Agreements, etc.】

The Company resolved, at the Board of Directors meeting held on March 30, 2026, to conclude the share transfer agreement to acquire all shares issued by Glamorise Foundations, Inc., which conducts planning and development items including women's innerwear and sales mainly through e-commerce in the United States, through Wacoal Direct Corp., a subsidiary of Wacoal International Corp., our U.S.-based consolidated subsidiary, and signed the share transfer agreement on March 31, 2026. For more details, please see "V. Financial Information – 1. Consolidated Financial Statements (1) Consolidated Financial Statements, Notes to the consolidated financial statements, 39. Significant subsequent events."

6. 【Research and Development】

Our research and development activities are mainly conducted by our Human Science Research & Development Center to provide services and products that support people's mind and body.

Since 1964, we have been conducting research into the female body in order to accurately understand the Japanese woman's physique. In particular, we have developed a silhouette analysis system and introduced a three-dimensional measuring system. We are also working on an even more advanced measurement of sensory comfort. Our research and development activities focus on addressing the proportional, physiological, and mental aspects of garment design. One of our most important research results was the enrichment of our research on sensory comfort through our participation in a project led by the Ministry of Trade and Industry (presently the Ministry of Economy, Trade and Industry) from 1995 to 1998. Based on this research, we have been focusing on developing new products that are not only comfortable for the wearer, but also have a positive physiological effect based on the basic study from three factors, which are pressure, heat, and touch. In 2005, we developed and created a new market for our breakthrough Style Science series products, which support the creation of a healthy and beautiful body by changing the idea of everyday walking to walking for exercise. In 2010, we analyzed body shape changes of the same subject from his/her 20s to 50s and published the principles of aging-related body changes, and strengthened the development of new products that respond to aging-related body changes. We also developed new functional products inspired by the lifestyle habits of people with smaller body shape changes due to aging, and in 2020, based on the research report "Research on Bust Movement and Skin due to Gravity," we held a research presentation conference on the importance of protecting bust from the effect of gravity and developed new functional products such as "gravity-proof bust-care bras" and "gravity-proof hips-care girdle" based on such research. In 2021, we launched "Body Culture Research Project," a co-creation project with universities and other companies. In March 2022, we held "Body Culture Symposium" at the Tokyo Aoyama Spiral Hall for the participants and related parties of the project. In May 2019, we have launched the operation of the self-measurement service using a 3D body scanner, which utilizes the size determination algorithm developed and supervised by the Wacoal Human Science Research & Development Center. In January 2025, we developed Melooop technology, which enables us to create 3D objects using the melt-blown technique. In June 2025, with the enhanced functions of SCANBE, our 3D measurement service, we expanded the scope of measurement to include not only women but also children and men.

During the current fiscal year, we worked on the development of "Bra Recommendations Based on Body Type," a service that proposes how to choose a bra that fits the body online based on our many years of research on body shape and the fit of innerwear, as well as the "CW-X Arm Brace," which gives shape to Shohei Ohtani's desire "to help athletes who share the same concerns."

As a result of the above, we recorded 574 million yen for our research and development during the fiscal year ended March 2026.

Our research and development activities cover a wide range of research from basic research to product development, mainly of women's innerwear. Therefore, it is difficult to relate each of such activities to a specific segment, and thus, we do not provide information regarding such research and development by segment.

In order to promote "the realization of an industry supporting women with unbounded living beauty," we will make efforts to enrich research and development activities that contribute to the improvement of customer satisfaction and corporate value based on the key concepts of beauty, comfort, and health. We will also work toward developing new products, information and services that empower our customers.

III. 【Property, Plants, and Equipment】

1. 【Summary of Capital Investment, etc.】

The total amount of capital investment for the fiscal year ended March 31, 2026 was 4,129 million yen, mainly including expenditures for system investments made by the Company and our subsidiaries, and expenditures for the maintenance and repair of real estate owned by our group.

The amounts of capital investment made in Wacoal Business (Domestic), Wacoal Business (Overseas), Peach John Business, and Other were 2,980 million yen, 1,094 million yen, 54 million yen, and 1 million yen, respectively.

2. 【Major Property, Plants, and Equipment】

The table below shows our major property, plants, and equipment within our group (Company and consolidated subsidiaries).

(1) Wacoal Holdings Corp.

As of March 31, 2026

Facility (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)				Number of Employee(s)
			Buildings and Structures	Machinery and Equipment	Land (m^2)	Total	
Head Office (Minami-ku, Kyoto) and other	Wacoal Business (Domestic)	Facilities for administration affairs, etc.	12,600	1,312	11,638 (225,205)	25,550	103 [–]

(Note) Amounts are presented based on Japanese GAAP.

(2) Domestic Subsidiaries

As of March 31, 2026

Name of Company (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)					Number of Employ-ee(s)
			Buildings and Structures	Machinery, Vehicle, Equipment, and Fixtures	Land (m^2)	Right-of-use assets	Total	
Wacoal Corp. (Minami-ku, Kyoto) and other	Wacoal Business (Domestic)	Facilities for administration affairs Directly managed stores	551	348	–	2,855	3,754	3,336 [68]
Wacoal Distribution Corp. (Moriyama, Shiga) and other	Wacoal Business (Domestic)	Facilities for merchandise management	30	220	–	35	285	455 [–]
Wacoal Manufacturing Japan Corp. (Unzen, Nagasaki) and other	Wacoal Business (Domestic)	Manufacturing facilities	–	124	–	11	135	380 [–]
Torica Inc. (Ibaraki, Osaka) and other	Wacoal Business (Domestic)	Manufacturing facilities	486	75	443 (60,892)	14	1,018	208 [100]
Peach John Co., Ltd. (Minato-ku, Tokyo) and other	Peach John Business	Facilities for administration affairs Directly managed stores	193	98	–	1,138	1,429	380 [35]

(Note) Amounts are presented based on IFRS Accounting Standards.

(3) Overseas Subsidiaries

As of March 31, 2026

Name of Company (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)					Number of Employ-ee(s)
			Buildings and Structures	Machinery, Vehicle, Equipment, and Fixtures	Land (m^2)	Right-of-use assets	Total	
Wacoal America, Inc. (New Jersey, USA) and other	Wacoal Business (Overseas)	Facilities for administration affairs Facilities for merchandise management Manufacturing facilities, etc.	2,255	1,086	655 (66,656)	1,854	5,850	2,202 [–]
Wacoal EMEA Ltd. (Northamptonshire, UK) and other	Wacoal Business (Overseas)	Facilities for administration affairs Facilities for merchandise management Manufacturing facilities, etc.	1,498	974	153 (5,342)	3,071	5,696	2,157 [–]
Wacoal China Co., Ltd. (Beijing, China)	Wacoal Business (Overseas)	Facilities for administration affairs Manufacturing facilities Directly managed stores	133	10	– (–) [11,871]	223	366	895 [–]
Wacoal Hong Kong Co., Ltd. (Hong Kong)	Wacoal Business (Overseas)	Facilities for administration affairs Directly managed stores	276	6	–	576	858	99 [25]
Vietnam Wacoal Corp. (Bien Hoa City, Vietnam)	Wacoal Business (Overseas)	Facilities for administration affairs Manufacturing facilities Directly managed stores	19	62	– (–) [25,195]	282	363	1,877 [–]
Dalian Wacoal Co., Ltd. (Dalian, China)	Wacoal Business (Overseas)	Manufacturing facilities	106	290	– (–) [27,543]	70	466	555 [–]

(Notes)
1. Amounts are presented based on IFRS Accounting Standards.
2. Area of land under lease by the Company is shown in brackets.
3. None of our major facilities is currently out of service.
4. Buildings and land regarding certain domestic subsidiaries under (2) above are under lease by the Company. The book value of the buildings and land are as follows:

Name of Business Office (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)	
			Buildings and structures	Land (m^2)
Wacoal Corp. Head Office (Minami-ku, Kyoto) Three other business offices	Wacoal Business (Domestic)	Facilities for administration affairs	6,305	6,450 (11,181)
Wacoal Distribution Corp. Moriyama Logistics Center (Moriyama, Shiga)	Wacoal Business (Domestic)	Facilities for merchandise management	4,508	1,419 (38,923)
Wacoal Manufacturing Japan Corp. Nagasaki Factory (Unzen, Nagasaki)	Wacoal Business (Domestic)	Manufacturing facilities	231	52 (19,369)

5. The average number of temporary employees during the period is in brackets.

3.【Plans for Capital Investment, Disposals of Property, Plants, and Equipment, etc.】

(1) Additions of Important Facilities

Not applicable.

(2) Disposals of Important Facilities

Not applicable.

IV. 【Information on the Company】

1.【Information on the Company's Stock, etc.】

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total Number of Shares Authorized to be Issued
Common stock	250,000,000
Total	250,000,000

(ii) Number of Shares Issued

Class	Number of Shares Issued as of the end of Fiscal Year (March 31, 2026) (shares)	Number of Shares Issued as of the Filing Date (June 26, 2026) (shares)	Names of Stock Exchanges on which the Company is listed or Names of Authorized Financial Instruments Firms Association	Description
Common stock	52,500,000	52,500,000	Prime Market of Tokyo Stock Exchange	Shareholders have unlimited standard rights. The number of shares constituting a unit is 100.
Total	52,500,000	52,500,000	–	–

(2) Status of Stock Acquisition Rights

(i) 【Stock Option Plans】

(17th Stock Acquisition Rights / 18th Stock Acquisition Rights)

Date of resolution	July 29, 2016	
Category and number of eligible grantees	Director of the Company 4	Director of subsidiary 6
Number of stock acquisition rights	23 (Note 1)	4 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 11,500 (Note 2)	Common stock 2,000 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 2, 2016 until September 1, 2036	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,089 yen Amount capitalized as common stock: 1,045 yen	
Terms and conditions for exercising the stock acquisition rights	(Note 3)	
Matters related to transfer of the stock acquisition rights	Subject to the approval of the Board of Directors	
Matters related to the grant of stock acquisition rights accompanying reorganization acts	(Note 4)	

* Above is based on information available as of the end of the current fiscal year (March 31, 2026). No change has been made as of the end of the month preceding the filing date (May 31, 2026).

(Notes)
1. The number of shares represented by one stock acquisition right is 500 shares.
2. In the event that the Company conducts a stock split (including the free allocation of shares of common stock of the Company; hereinafter the same) or a reverse split of its common stock, the number of shares represented by stock acquisition rights (the Number of Allotted Stock) will be adjusted in accordance with the following formula:

$$\text{Number of Allotted Stock after adjustment} = \text{Number of Allotted Stock before adjustment} \times \text{Ratio of stock split or reverse stock split}$$

This adjustment will apply from the day following the record date in the case of a stock split and from the day on which the reverse stock split becomes effective in the case of a reverse stock split. However, in the event that the Company conducts a stock split that is conditioned on approval at a general meeting of shareholders of the Company of an increase in stockholders' equity or additional paid-in capital by decreasing the amount of surplus, and provided that the record date for such stock split is set prior to the conclusion of such general meeting of shareholders, from the day following the conclusion of such general meeting of shareholders, the adjustment will apply retroactively from the day following the record date.

In addition to the above, the Number of Allotted Stock shall be reasonably adjusted as may be required in unavoidable circumstances.

Any fractional shares that result from the above adjustment will be rounded down to the nearest whole share.

Furthermore, in case of any adjustment of the Number of Allotted Stock, the Company shall make any necessary notification or announcement to Option holders no later than the day immediately preceding the day on which the Number of Allotted Stock after adjustment becomes effective. However, if the Company is unable to provide such notification or announcement by such date, the Company shall provide prompt notification or announcement thereafter.

3. (1) Option holders may exercise their stock acquisition rights on the Date of Loss of Status; provided, however, that in such case, such Option holder may only exercise his or her stock acquisition rights until the earlier of (i) the expiration date of the exercise period as stipulated in the table above and (ii) the five-year anniversary of the Exercise Start Date.
   (2) Notwithstanding the foregoing (1), during the exercise period set forth in the table above, the Option holders may exercise their stock acquisition rights in the following cases (for item (ii), excluding the case where the stock acquisition rights of the Surviving Company are granted to the Option holders pursuant to Note 4 below) only during the respective periods designated below:
   (i) if the Exercise Start Date of the Option holder has not occurred by September 1, 2035
   From September 2, 2035 until September 1, 2036.
   (ii) if the general meeting of shareholders of the Company approves a merger agreement pursuant to which the Company is to be dissolved or a stock swap agreement or share transfer plan that makes the Company a wholly owned subsidiary (or, in the event a resolution of the general meeting of shareholders is not required, if a resolution of the board or determination by the chief executive officer of the Company is passed):
   For 15 days from the day after the date of said approval.
   (3) If an Option holder waives his or her stock acquisition rights, such Option holder may not exercise the said stock acquisition rights.
4. In the event that the Company conducts Organizational Restructuring, stock acquisition rights of the Surviving Company shall be granted to each holder of the Residual Stock Acquisition Rights in accordance with the following terms and conditions. In such case, the remaining stock acquisition rights shall be canceled, and the Surviving Company shall issue new stock acquisition rights; provided, however, that this shall be limited to the case where the grant of stock acquisition rights of the Surviving Company pursuant to the following conditions is stipulated in the absorption-type demerger agreement, incorporation-type demerger agreement, merger and spin-off agreement, new spin-off plan, stock swap agreement, or share transfer plan:
   (1) Number of Stock Acquisition Rights of the Surviving Company to Be Granted:
   The number of stock acquisition rights to be granted shall be equal to the number of Residual Stock Acquisition Rights.
   (2) Class of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
   Common stock of the Surviving Company.
   (3) Number of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
   To be determined pursuant to Note 2 above after taking into consideration the terms and conditions of the Organizational Restructuring.
   (4) Amount Capitalized upon Exercise of Stock Acquisition Rights:

The amount capitalized upon the exercise of each stock acquisition right to be granted shall be the amount paid after restructuring as prescribed below multiplied by the number of shares of the Surviving Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with (3) above. The amount paid after restructuring shall be one yen per share of the Surviving Company, which may be granted upon exercise of each stock acquisition right to be granted.

(5) Exercise Period for Stock Acquisition Rights:
From the later of (i) the starting date of the exercise period for stock acquisition rights as stipulated in the table above and (ii) the effective date of Organizational Restructuring, and lasting until the expiration date for the exercise of stock acquisition rights as stipulated in the table above.

(6) Matters concerning Increases in Capital Stock and Additional Paid-in Capital in Case of Issuance of Shares Due to the Exercise of Stock Acquisition Rights:
  (i) In the event that shares are issued due to the exercise of stock acquisition rights, shareholders' equity shall be increased by half the limit for increases in common stock that are calculated in accordance with Article 17-1 of the Japanese Company Accounting Regulations. Any amount less than one yen shall be rounded up to the nearest yen.
  (ii) In the event that shares are issued due to the exercise of stock acquisition rights, additional paid-in capital shall be increased by the amount remaining after deducting the increase in the limit for increase in common stock stipulated in (i) above.

(7) Limitation on Acquisition of Stock Acquisition Rights by Transfer:
The acquisition of stock acquisition rights by transfer shall be subject to approval by resolution of the board.

(8) Provisions for the Acquisition of Stock Acquisition Rights:
In the event that a general meeting of shareholders of the Company approves any of the following (or, when shareholder approval is not necessary, in the event that the board or the representative executive officer approves of any of the following), the Company may acquire stock acquisition rights without compensation on a date separately specified by the board:
  (i) a proposed merger agreement under which the Company is to be dissolved;
  (ii) a proposed corporate division agreement or plan under which the Company would be split;
  (iii) a proposed stock swap agreement or plan that makes the Company a wholly owned subsidiary;
  (iv) a proposed amendment to the Articles of Incorporation to add a provision that prescribes that the Company, with respect to all of its issued shares, shall be required to obtain the approval of the Company for the acquisition of such shares by transfer; or
  (v) a proposed approval for an amendment to the Articles of Incorporation to add a provision that prescribes that the Company shall be required to obtain the approval of the Company for the acquisition of the shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company shall obtain all of the shares of said class by a resolution of the general meeting of shareholders.

(9) Other Conditions relating to the Exercise of Stock Acquisition Rights:
To be determined pursuant to Note 3 above.

(19th Stock Acquisition Rights / 20th Stock Acquisition Rights)

Date of resolution	July 31, 2017	
Category and number of eligible grantees	Director of the Company 4	Director of subsidiary 7
Number of stock acquisition rights	14 (Note 1)	2 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 7,000 (Note 2)	Common stock 1,000 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 2, 2017 until September 1, 2037	

Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,919 yen Amount capitalized as common stock: 1,460 yen
Terms and conditions for exercising the stock acquisition rights	(Note 3)
Matters related to transfer of the stock acquisition rights	Subject to the approval of the Board of Directors
Matters related to the grant of stock acquisition rights accompanying reorganization acts	(Note 4)

* Above is based on information available as of the end of the current fiscal year (March 31, 2026). No change has been made as of the end of the month preceding the filing date (May 31, 2026).

(Notes) 1. The number of shares represented by one stock acquisition right is 500 shares.

2. In the event that the Company conducts a stock split (including the free allocation of shares of common stock of the Company; hereinafter the same) or a reverse split of its common stock, the number of shares represented by stock acquisition rights (the Number of Allotted Stock) will be adjusted in accordance with the following formula:

$$\text{Number of Allotted Stock after adjustment} = \text{Number of Allotted Stock before adjustment} \times \text{Ratio of stock split or reverse stock split}$$

This adjustment will apply from the day following the record date in the case of a stock split and from the day on which the reverse stock split becomes effective in the case of a reverse stock split. However, in the event that the Company conducts a stock split that is conditioned on approval at a general meeting of shareholders of the Company of an increase in stockholders' equity or additional paid-in capital by decreasing the amount of surplus, and provided that the record date for such stock split is set prior to the conclusion of such general meeting of shareholders, from the day following the conclusion of such general meeting of shareholders, the adjustment will apply retroactively from the day following the record date.

In addition to the above, the Number of Allotted Stock shall be reasonably adjusted as may be required in unavoidable circumstances.

Any fractional shares that result from the above adjustment will be rounded down to the nearest whole share.

Furthermore, in case of any adjustment of the Number of Allotted Stock, the Company shall make any necessary notification or announcement to Option holders no later than the day immediately preceding the day on which the Number of Allotted Stock after adjustment becomes effective. However, if the Company is unable to provide such notification or announcement by such date, the Company shall provide prompt notification or announcement thereafter.

3. (1) Option holders may exercise their stock acquisition rights on the Date of Loss of Status; provided, however, that in such case, such Option holder may only exercise his or her stock acquisition rights until the earlier of (i) the expiration date of the exercise period as stipulated in the table above and (ii) the five-year anniversary of the Exercise Start Date.

(2) Notwithstanding the foregoing (1), during the exercise period set forth in the table above, the Option holders may exercise their stock acquisition rights in the following cases (for item (ii), excluding the case where the stock acquisition rights of the Surviving Company are granted to the Option holders pursuant to Note 4 below) only during the respective periods designated below:

(i) if the Exercise Start Date of the Option holder has not occurred by September 1, 2036
From September 2, 2036 until September 1, 2037.

(ii) if the general meeting of shareholders of the Company approves a merger agreement pursuant to which the Company is to be dissolved or a stock swap agreement or share transfer plan that makes the Company a wholly owned subsidiary (or, in the event a resolution of the general meeting of shareholders is not required, if a resolution of the board or determination by the chief executive officer of the Company is passed):
For 15 days from the day after the date of said approval.

(3) If an Option holder waives his or her stock acquisition rights, such Option holder may not exercise the said stock acquisition rights.

4. In the event that the Company conducts Organizational Restructuring, stock acquisition rights of the Surviving Company shall be granted to each holder of the Residual Stock Acquisition Rights in accordance with the following terms and conditions. In such case, the remaining stock acquisition rights

shall be canceled, and the Surviving Company shall issue new stock acquisition rights; provided, however, that this shall be limited to the case where the grant of stock acquisition rights of the Surviving Company pursuant to the following conditions is stipulated in the absorption-type demerger agreement, incorporation-type demerger agreement, merger and spin-off agreement, new spin-off plan, stock swap agreement, or share transfer plan:

(1) Number of Stock Acquisition Rights of the Surviving Company to Be Granted:
The number of stock acquisition rights to be granted shall be equal to the number of Residual Stock Acquisition Rights.

(2) Class of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
Common stock of the Surviving Company.

(3) Number of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
To be determined pursuant to Note 2 above after taking into consideration the terms and conditions of the Organizational Restructuring.

(4) Amount Capitalized upon Exercise of Stock Acquisition Rights:
The amount capitalized upon the exercise of each stock acquisition right to be granted shall be the amount paid after restructuring as prescribed below multiplied by the number of shares of the Surviving Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with (3) above. The amount paid after restructuring shall be one yen per share of the Surviving Company, which may be granted upon exercise of each stock acquisition right to be granted.

(5) Exercise Period for Stock Acquisition Rights:
From the later of (i) the starting date of the exercise period for stock acquisition rights as stipulated in the table above and (ii) the effective date of Organizational Restructuring, and lasting until the expiration date for the exercise of stock acquisition rights as stipulated in the table above.

(6) Matters concerning Increases in Capital Stock and Additional Paid-in Capital in Case of Issuance of Shares Due to the Exercise of Stock Acquisition Rights:
   (i) In the event that shares are issued due to the exercise of stock acquisition rights, shareholders' equity shall be increased by half the limit for increases in common stock that are calculated in accordance with Article 17-1 of the Japanese Company Accounting Regulations. Any amount less than one yen shall be rounded up to the nearest yen.
   (ii) In the event that shares are issued due to the exercise of stock acquisition rights, additional paid-in capital shall be increased by the amount remaining after deducting the increase in the limit for increase in common stock stipulated in (i) above.

(7) Limitation on Acquisition of Stock Acquisition Rights by Transfer:
The acquisition of stock acquisition rights by transfer shall be subject to approval by resolution of the board.

(8) Provisions for the Acquisition of Stock Acquisition Rights:
In the event that a general meeting of shareholders of the Company approves any of the following (or, when shareholder approval is not necessary, in the event that the board or the representative executive officer approves of any of the following), the Company may acquire stock acquisition rights without compensation on a date separately specified by the board:
   (i) a proposed merger agreement under which the Company is to be dissolved;
   (ii) a proposed corporate division agreement or plan under which the Company would be split;
   (iii) a proposed stock swap agreement or plan that makes the Company a wholly owned subsidiary;
   (iv) a proposed amendment to the Articles of Incorporation to add a provision that prescribes that the Company, with respect to all of its issued shares, shall be required to obtain the approval of the Company for the acquisition of such shares by transfer; or
   (v) a proposed approval for an amendment to the Articles of Incorporation to add a provision that prescribes that the Company shall be required to obtain the approval of the Company for the acquisition of the shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company shall obtain all of the shares of said class by a resolution of the general meeting of shareholders.

(9) Other Conditions relating to the Exercise of Stock Acquisition Rights:
To be determined pursuant to Note 3 above.

(21st Stock Acquisition Rights / 22nd Stock Acquisition Rights)

Date of resolution	July 20, 2018	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 5
Number of stock acquisition rights	80 (Note 1)	18 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 8,000 (Note 2)	Common stock 1,800 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From August 18, 2018 until August 17, 2038	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 3,006 yen Amount capitalized as common stock: 1,503 yen	
Terms and conditions for exercising the stock acquisition rights	(Note 3)	
Matters related to transfer of the stock acquisition rights	Subject to the approval of the Board of Directors	
Matters related to the grant of stock acquisition rights accompanying reorganization acts	(Note 4)	

* Above is based on information available as of the end of the current fiscal year (March 31, 2026). No change has been made as of the end of the month preceding the filing date (May 31, 2026).

(Notes) 1. The number of shares represented by one stock acquisition right is 100 shares.

2. In the event that the Company conducts a stock split (including the free allocation of shares of common stock of the Company; hereinafter the same) or a reverse split of its common stock, the number of shares represented by stock acquisition rights (the Number of Allotted Stock) will be adjusted in accordance with the following formula:

$$\text{Number of Allotted Stock after adjustment} = \text{Number of Allotted Stock before adjustment} \times \text{Ratio of stock split or reverse stock split}$$

This adjustment will apply from the day following the record date in the case of a stock split and from the day on which the reverse stock split becomes effective in the case of a reverse stock split. However, in the event that the Company conducts a stock split that is conditioned on approval at a general meeting of shareholders of the Company of an increase in stockholders' equity or additional paid-in capital by decreasing the amount of surplus, and provided that the record date for such stock split is set prior to the conclusion of such general meeting of shareholders, from the day following the conclusion of such general meeting of shareholders, the adjustment will apply retroactively from the day following the record date.

In addition to the above, the Number of Allotted Stock shall be reasonably adjusted as may be required in unavoidable circumstances.

Any fractional shares that result from the above adjustment will be rounded down to the nearest whole share.

Furthermore, in case of any adjustment of the Number of Allotted Stock, the Company shall make any necessary notification or announcement to Option holders no later than the day immediately preceding the day on which the Number of Allotted Stock after adjustment becomes effective. However, if the Company is unable to provide such notification or announcement by such date, the Company shall provide prompt notification or announcement thereafter.

3. (1) Option holders may exercise their stock acquisition rights on the Date of Loss of Status; provided, however, that in such case, such Option holder may only exercise his or her stock acquisition rights until the earlier of (i) the expiration date of the exercise period as stipulated in the table above and (ii) the five-year anniversary of the Exercise Start Date.

(2) Notwithstanding the foregoing (1), during the exercise period set forth in the table above, the Option holders may exercise their stock acquisition rights in the following cases (for item (ii),

excluding the case where the stock acquisition rights of the Surviving Company are granted to the Option holders pursuant to Note 4 below) only during the respective periods designated below:

(i) if the Exercise Start Date of the Option holder has not occurred by August 17, 2037
From August 18, 2037 until August 17, 2038.

(ii) if the general meeting of shareholders of the Company approves a merger agreement pursuant to which the Company is to be dissolved or a stock swap agreement or share transfer plan that makes the Company a wholly owned subsidiary (or, in the event a resolution of the general meeting of shareholders is not required, if a resolution of the board or determination by the chief executive officer of the Company is passed):
For 15 days from the day after the date of said approval.

(3) If an Option holder waives his or her stock acquisition rights, such Option holder may not exercise the said stock acquisition rights.

4. In the event that the Company conducts Organizational Restructuring, stock acquisition rights of the Surviving Company shall be granted to each holder of the Residual Stock Acquisition Rights in accordance with the following terms and conditions. In such case, the remaining stock acquisition rights shall be canceled, and the Surviving Company shall issue new stock acquisition rights; provided, however, that this shall be limited to the case where the grant of stock acquisition rights of the Surviving Company pursuant to the following conditions is stipulated in the absorption-type demerger agreement, incorporation-type demerger agreement, merger and spin-off agreement, new spin-off plan, stock swap agreement, or share transfer plan:

(1) Number of Stock Acquisition Rights of the Surviving Company to Be Granted:
The number of stock acquisition rights to be granted shall be equal to the number of Residual Stock Acquisition Rights.

(2) Class of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
Common stock of the Surviving Company.

(3) Number of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
To be determined pursuant to Note 2 above after taking into consideration the terms and conditions of the Organizational Restructuring.

(4) Amount Capitalized upon Exercise of Stock Acquisition Rights:
The amount capitalized upon the exercise of each stock acquisition right to be granted shall be the amount paid after restructuring as prescribed below multiplied by the number of shares of the Surviving Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with (3) above. The amount paid after restructuring shall be one yen per share of the Surviving Company, which may be granted upon exercise of each stock acquisition right to be granted.

(5) Exercise Period for Stock Acquisition Rights:
From the later of (i) the starting date of the exercise period for stock acquisition rights as stipulated in the table above and (ii) the effective date of Organizational Restructuring, and lasting until the expiration date for the exercise of stock acquisition rights as stipulated in the table above.

(6) Matters concerning Increases in Capital Stock and Additional Paid-in Capital in Case of Issuance of Shares Due to the Exercise of Stock Acquisition Rights:

(i) In the event that shares are issued due to the exercise of stock acquisition rights, shareholders' equity shall be increased by half the limit for increases in common stock that are calculated in accordance with Article 17-1 of the Japanese Company Accounting Regulations. Any amount less than one yen shall be rounded up to the nearest yen.

(ii) In the event that shares are issued due to the exercise of stock acquisition rights, additional paid-in capital shall be increased by the amount remaining after deducting the increase in the limit for increase in common stock stipulated in (i) above.

(7) Limitation on Acquisition of Stock Acquisition Rights by Transfer:
The acquisition of stock acquisition rights by transfer shall be subject to approval by resolution of the board.

(8) Provisions for the Acquisition of Stock Acquisition Rights:

In the event that a general meeting of shareholders of the Company approves any of the following (or, when shareholder approval is not necessary, in the event that the board or the representative executive officer approves of any of the following), the Company may acquire stock acquisition rights without compensation on a date separately specified by the board:

(i) a proposed merger agreement under which the Company is to be dissolved;

(ii) a proposed corporate division agreement or plan under which the Company would be split;

(iii) a proposed stock swap agreement or plan that makes the Company a wholly owned subsidiary;

(iv) a proposed amendment to the Articles of Incorporation to add a provision that prescribes that the Company, with respect to all of its issued shares, shall be required to obtain the approval of the Company for the acquisition of such shares by transfer; or

(v) a proposed approval for an amendment to the Articles of Incorporation to add a provision that prescribes that the Company shall be required to obtain the approval of the Company for the acquisition of the shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company shall obtain all of the shares of said class by a resolution of the general meeting of shareholders.

(9) Other Conditions relating to the Exercise of Stock Acquisition Rights:
To be determined pursuant to Note 3 above.

(23rd Stock Acquisition Rights / 24th Stock Acquisition Rights)

Date of resolution	June 27, 2019	
Category and number of eligible grantees	Director of the Company 4	Director of subsidiary 6
Number of stock acquisition rights	104 (Note 1)	32 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 10,400 (Note 2)	Common stock 3,200 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From July 23, 2019 until July 22, 2039	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,517 yen Amount capitalized as common stock: 1,259 yen	
Terms and conditions for exercising the stock acquisition rights	(Note 3)	
Matters related to transfer of the stock acquisition rights	Subject to the approval of the Board of Directors	
Matters related to the grant of stock acquisition rights accompanying reorganization acts	(Note 4)	

* Above is based on information available as of the end of the current fiscal year (March 31, 2026). No change has been made as of the end of the month preceding the filing date (May 31, 2026).

(Notes) 1. The number of shares represented by one stock acquisition right is 100 shares.

2. In the event that the Company conducts a stock split (including the free allocation of shares of common stock of the Company; hereinafter the same) or a reverse split of its common stock, the number of shares represented by stock acquisition rights (the Number of Allotted Stock) will be adjusted in accordance with the following formula:

$$\text{Number of Allotted Stock after adjustment} = \text{Number of Allotted Stock before adjustment} \times \text{Ratio of stock split or reverse stock split}$$

This adjustment will apply from the day following the record date in the case of a stock split and from the day on which the reverse stock split becomes effective in the case of a reverse stock split. However, in the event that the Company conducts a stock split that is conditioned on approval at a general meeting of shareholders of the Company of an increase in stockholders' equity or additional paid-in capital by decreasing the amount of surplus, and provided that the record date for such stock split is set prior to the conclusion of such general meeting of shareholders, from the day following the conclusion of such general meeting of shareholders, the adjustment will apply retroactively from the day following the record date.

In addition to the above, the Number of Allotted Stock shall be reasonably adjusted as may be required in unavoidable circumstances.

Any fractional shares that result from the above adjustment will be rounded down to the nearest whole share.

Furthermore, in case of any adjustment of the Number of Allotted Stock, the Company shall make any necessary notification or announcement to Option holders no later than the day immediately preceding the day on which the Number of Allotted Stock after adjustment becomes effective. However, if the Company is unable to provide such notification or announcement by such date, the Company shall provide prompt notification or announcement thereafter.

3. (1) Option holders may exercise their stock acquisition rights on the Date of Loss of Status; provided, however, that in such case, such Option holder may only exercise his or her stock acquisition rights until the earlier of (i) the expiration date of the exercise period as stipulated in the table above and (ii) the five-year anniversary of the Exercise Start Date.
   (2) Notwithstanding the foregoing (1), during the exercise period set forth in the table above, the Option holders may exercise their stock acquisition rights in the following cases (for item (ii), excluding the case where the stock acquisition rights of the Surviving Company are granted to the Option holders pursuant to Note 4 below) only during the respective periods designated below:
      (i) if the Exercise Start Date of the Option holder has not occurred by July 22, 2038
      From July 23, 2038 until July 22, 2039.
      (ii) if the general meeting of shareholders of the Company approves a merger agreement pursuant to which the Company is to be dissolved or a stock swap agreement or share transfer plan that makes the Company a wholly owned subsidiary (or, in the event a resolution of the general meeting of shareholders is not required, if a resolution of the board or determination by the chief executive officer of the Company is passed):
      For 15 days from the day after the date of said approval.
   (3) If an Option holder waives his or her stock acquisition rights, such Option holder may not exercise the said stock acquisition rights.
4. In the event that the Company conducts Organizational Restructuring, stock acquisition rights of the Surviving Company shall be granted to each holder of the Residual Stock Acquisition Rights in accordance with the following terms and conditions. In such case, the remaining stock acquisition rights shall be canceled, and the Surviving Company shall issue new stock acquisition rights; provided, however, that this shall be limited to the case where the grant of stock acquisition rights of the Surviving Company pursuant to the following conditions is stipulated in the absorption-type demerger agreement, incorporation-type demerger agreement, merger and spin-off agreement, new spin-off plan, stock swap agreement, or share transfer plan:
   (1) Number of Stock Acquisition Rights of the Surviving Company to Be Granted:
   The number of stock acquisition rights to be granted shall be equal to the number of Residual Stock Acquisition Rights.
   (2) Class of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
   Common stock of the Surviving Company.
   (3) Number of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
   To be determined pursuant to Note 2 above after taking into consideration the terms and conditions of the Organizational Restructuring.
   (4) Amount Capitalized upon Exercise of Stock Acquisition Rights:
   The amount capitalized upon the exercise of each stock acquisition right to be granted shall be the amount paid after restructuring as prescribed below multiplied by the number of shares of the Surviving Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with (3) above. The amount paid after restructuring shall be one yen per share of the Surviving Company, which may be granted upon exercise of each stock acquisition right to be granted.
   (5) Exercise Period for Stock Acquisition Rights:

From the later of (i) the starting date of the exercise period for stock acquisition rights as stipulated in the table above and (ii) the effective date of Organizational Restructuring, and lasting until the expiration date for the exercise of stock acquisition rights as stipulated in the table above.

(6) Matters concerning Increases in Capital Stock and Additional Paid-in Capital in Case of Issuance of Shares Due to the Exercise of Stock Acquisition Rights:

 (i) In the event that shares are issued due to the exercise of stock acquisition rights, shareholders' equity shall be increased by half the limit for increases in common stock that are calculated in accordance with Article 17-1 of the Japanese Company Accounting Regulations. Any amount less than one yen shall be rounded up to the nearest yen.

 (ii) In the event that shares are issued due to the exercise of stock acquisition rights, additional paid-in capital shall be increased by the amount remaining after deducting the increase in the limit for increase in common stock stipulated in (i) above.

(7) Limitation on Acquisition of Stock Acquisition Rights by Transfer:

The acquisition of stock acquisition rights by transfer shall be subject to approval by resolution of the board.

(8) Provisions for the Acquisition of Stock Acquisition Rights:

In the event that a general meeting of shareholders of the Company approves any of the following (or, when shareholder approval is not necessary, in the event that the board or the representative executive officer approves of any of the following), the Company may acquire stock acquisition rights without compensation on a date separately specified by the board:

 (i) a proposed merger agreement under which the Company is to be dissolved;

 (ii) a proposed corporate division agreement or plan under which the Company would be split;

 (iii) a proposed stock swap agreement or plan that makes the Company a wholly owned subsidiary;

 (iv) a proposed amendment to the Articles of Incorporation to add a provision that prescribes that the Company, with respect to all of its issued shares, shall be required to obtain the approval of the Company for the acquisition of such shares by transfer; or

 (v) a proposed approval for an amendment to the Articles of Incorporation to add a provision that prescribes that the Company shall be required to obtain the approval of the Company for the acquisition of the shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company shall obtain all of the shares of said class by a resolution of the general meeting of shareholders.

(9) Other Conditions relating to the Exercise of Stock Acquisition Rights:

To be determined pursuant to Note 3 above.

(25th Stock Acquisition Rights / 26th Stock Acquisition Rights)

Date of resolution	June 26, 2020	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 6
Number of stock acquisition rights	123 (Note 1)	20 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 12,300 (Note 2)	Common stock 2,000 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From July 18, 2020 until July 17, 2040	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 1,769 yen Amount capitalized as common stock: 885 yen	
Terms and conditions for exercising the stock acquisition rights	(Note 3)	
Matters related to transfer of the stock acquisition rights	Subject to the approval of the Board of Directors	
Matters related to the grant of stock acquisition rights accompanying reorganization acts	(Note 4)	

* Above is based on information available as of the end of the current fiscal year (March 31, 2026). No change has been made as of the end of the month preceding the filing date (May 31, 2026).

(Notes) 1. The number of shares represented by one stock acquisition right is 100 shares.

2. In the event that the Company conducts a stock split (including the free allocation of shares of common stock of the Company; hereinafter the same) or a reverse split of its common stock, the number of shares represented by stock acquisition rights (the Number of Allotted Stock) will be adjusted in accordance with the following formula:

$$\text{Number of Allotted Stock after adjustment} = \text{Number of Allotted Stock before adjustment} \times \text{Ratio of stock split or reverse stock split}$$

This adjustment will apply from the day following the record date in the case of a stock split and from the day on which the reverse stock split becomes effective in the case of a reverse stock split. However, in the event that the Company conducts a stock split that is conditioned on approval at a general meeting of shareholders of the Company of an increase in stockholders' equity or additional paid-in capital by decreasing the amount of surplus, and provided that the record date for such stock split is set prior to the conclusion of such general meeting of shareholders, from the day following the conclusion of such general meeting of shareholders, the adjustment will apply retroactively from the day following the record date.

In addition to the above, the Number of Allotted Stock shall be reasonably adjusted as may be required in unavoidable circumstances.

Any fractional shares that result from the above adjustment will be rounded down to the nearest whole share.

Furthermore, in case of any adjustment of the Number of Allotted Stock, the Company shall make any necessary notification or announcement to Option holders no later than the day immediately preceding the day on which the Number of Allotted Stock after adjustment becomes effective. However, if the Company is unable to provide such notification or announcement by such date, the Company shall provide prompt notification or announcement thereafter.

3. (1) Option holders may exercise their stock acquisition rights on the Date of Loss of Status; provided, however, that in such case, such Option holder may only exercise his or her stock acquisition rights until the earlier of (i) the expiration date of the exercise period as stipulated in the table above and (ii) the five-year anniversary of the Exercise Start Date.

(2) Notwithstanding the foregoing (1), during the exercise period set forth in the table above, the Option holders may exercise their stock acquisition rights in the following cases (for item (ii), excluding the case where the stock acquisition rights of the Surviving Company are granted to the Option holders pursuant to Note 4 below) only during the respective periods designated below:

(i) if the Exercise Start Date of the Option holder has not occurred by July 17, 2039

From July 18, 2039 until July 17, 2040.

(ii) if the general meeting of shareholders of the Company approves a merger agreement pursuant to which the Company is to be dissolved or a stock swap agreement or share transfer plan that makes the Company a wholly owned subsidiary (or, in the event a resolution of the general meeting of shareholders is not required, if a resolution of the board or determination by the chief executive officer of the Company is passed):

For 15 days from the day after the date of said approval.

(3) If an Option holder waives his or her stock acquisition rights, such Option holder may not exercise the said stock acquisition rights.

4. In the event that the Company conducts Organizational Restructuring, stock acquisition rights of the Surviving Company shall be granted to each holder of the Residual Stock Acquisition Rights in accordance with the following terms and conditions. In such case, the remaining stock acquisition rights shall be canceled, and the Surviving Company shall issue new stock acquisition rights; provided, however, that this shall be limited to the case where the grant of stock acquisition rights of the Surviving Company pursuant to the following conditions is stipulated in the absorption-type demerger agreement, incorporation-type demerger agreement, merger and spin-off agreement, new spin-off plan, stock swap agreement, or share transfer plan:

(1) Number of Stock Acquisition Rights of the Surviving Company to Be Granted:
The number of stock acquisition rights to be granted shall be equal to the number of Residual Stock Acquisition Rights.

(2) Class of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
Common stock of the Surviving Company.

(3) Number of Shares of the Surviving Company to be Issued upon Exercise of the Stock Acquisition Rights:
To be determined pursuant to Note 2 above after taking into consideration the terms and conditions of the Organizational Restructuring.

(4) Amount Capitalized upon Exercise of Stock Acquisition Rights:
The amount capitalized upon the exercise of each stock acquisition right to be granted shall be the amount paid after restructuring as prescribed below multiplied by the number of shares of the Surviving Company to be issued upon the exercise of the stock acquisition rights as determined in accordance with (3) above. The amount paid after restructuring shall be one yen per share of the Surviving Company, which may be granted upon exercise of each stock acquisition right to be granted.

(5) Exercise Period for Stock Acquisition Rights:
From the later of (i) the starting date of the exercise period for stock acquisition rights as stipulated in the table above and (ii) the effective date of Organizational Restructuring, and lasting until the expiration date for the exercise of stock acquisition rights as stipulated in the table above.

(6) Matters concerning Increases in Capital Stock and Additional Paid-in Capital in Case of Issuance of Shares Due to the Exercise of Stock Acquisition Rights:

(i) In the event that shares are issued due to the exercise of stock acquisition rights, shareholders' equity shall be increased by half the limit for increases in common stock that are calculated in accordance with Article 17-1 of the Japanese Company Accounting Regulations. Any amount less than one yen shall be rounded up to the nearest yen.

(ii) In the event that shares are issued due to the exercise of stock acquisition rights, additional paid-in capital shall be increased by the amount remaining after deducting the increase in the limit for increase in common stock stipulated in (i) above.

(7) Limitation on Acquisition of Stock Acquisition Rights by Transfer:
The acquisition of stock acquisition rights by transfer shall be subject to approval by resolution of the board.

(8) Provisions for the Acquisition of Stock Acquisition Rights:
In the event that a general meeting of shareholders of the Company approves any of the following (or, when shareholder approval is not necessary, in the event that the board or the representative

executive officer approves of any of the following), the Company may acquire stock acquisition rights without compensation on a date separately specified by the board:

(i) a proposed merger agreement under which the Company is to be dissolved;

(ii) a proposed corporate division agreement or plan under which the Company would be split;

(iii) a proposed stock swap agreement or plan that makes the Company a wholly owned subsidiary;

(iv) a proposed amendment to the Articles of Incorporation to add a provision that prescribes that the Company, with respect to all of its issued shares, shall be required to obtain the approval of the Company for the acquisition of such shares by transfer; or

(v) a proposed approval for an amendment to the Articles of Incorporation to add a provision that prescribes that the Company shall be required to obtain the approval of the Company for the acquisition of the shares to be issued upon the exercise of stock acquisition rights by transfer or that the Company shall obtain all of the shares of said class by a resolution of the general meeting of shareholders.

(9) Other Conditions relating to the Exercise of Stock Acquisition Rights:
To be determined pursuant to Note 3 above.

(ii) 【Right Plans】
Not applicable.

(iii) 【Other Stock Acquisition Rights】
Not applicable.

(3) Status of Exercise of Bonds with Stock Acquisition Rights Containing a Clause for Exercise Price Adjustment
Not applicable.

(4) Trends in the Total Number of Shares Issued, Common Stock, etc.

Date	Changes in the Total Number of Shares Issued (Thousands of shares)	Balance of Total Number of Shares Issued (Thousands of shares)	Changes in Common Stock (Millions of yen)	Balance of Common Stock (Millions of yen)	Changes in Legal Capital Surplus (Millions of yen)	Balance of Legal Capital Surplus (Millions of yen)
May 23, 2022 (Note 1)	(1,089)	64,500	–	13,260	–	29,294
May 26, 2023 (Note 1)	(3,500)	61,000	–	13,260	–	29,294
August 31, 2023 (Note 2)	–	61,000	–	13,260	(29,294)	–
May 24, 2024 (Note 1)	(5,500)	55,500	–	13,260	–	–
May 23, 2025 (Note 1)	(3,000)	52,500	–	13,260	–	–

(Notes) 1. The decrease was due to the cancellation of treasury stock.
2. The Company reduced the amount of legal capital surplus and transferred the same amount to additional other capital surplus pursuant to the provisions of Paragraph 1, Article 448 of the Companies Act.

(5) Status of Shareholders

As of March 31, 2026

Category	Status of Shares (1 unit = 100 shares)								Shares Less Than One Unit (Shares)
	National and Local Governments	Financial Institutions	Securities Companies	Other Corporations	Foreign Shareholders: Foreign shareholders other than individuals	Foreign Shareholders: Individuals	Individuals and Other	Total	
Number of shareholders	–	27	28	120	167	16	12,489	12,847	–
Number of shares held (units)	–	210,385	34,451	32,702	135,575	50	110,822	523,985	101,500
Ratio (%)	–	40.15	6.58	6.24	25.87	0.01	21.15	100	–

(Notes) 1. Out of the treasury stock of 3,062,921 shares, 30,629 units are included under “Individuals and Other,” and 21 shares of less than one unit are included under “Shares less than One Unit.”
2. Shares under “Other Corporations” and “Shares less than One Unit” include 2 units and 27 shares, respectively, held under the name of the Japan Securities Depository Center.

(6) Status of Major Shareholders

As of March 31, 2026

Name of Shareholder	Address	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	4,793	9.70
Meiji Yasuda Life Insurance Company	2-1-1, Marunouchi, Chiyoda-ku, Tokyo	3,050	6.17
The Bank of Kyoto, Ltd.	700, Yakushimae-cho, Karasuma-dori, Matsubara-agaru, Shimogyo-ku, Kyoto	2,352	4.76
The Bank of Mitsubishi UFJ, Ltd.	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	2,286	4.62
GOLDMAN SACHS INTERNATIONAL (Standing proxy: Goldman Sachs Japan Co., Ltd.)	Plumtree Court, 25 Shoe Lane, London EC4A 4AU, UK (Toranomon Hills Station Tower, 2-6-1 Toranomon, Minato-ku, Tokyo)	1,753	3.55
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo (Nippon Life Insurance Securities Services)	1,569	3.18
The Shiga Bank, Ltd.	1-38, Hamamachi, Otsu-shi, Shiga	1,569	3.17
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	1,569	3.17
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	1,525	3.08
Custody Bank of Japan, Ltd. (Re-trust of Sumitomo Mitsui Trust Bank, Limited; Trust Account for the retirement allowance for Toray Industries, Inc.)	1-8-12, Harumi, Chuo-ku, Tokyo	1,205	2.44
Total	―――	21,674	43.84

(Notes)
1. The Company is holding 3,062 thousand shares of treasury stock, which are not listed in the above list of major shareholders.
2. The numbers of shares held by The Master Trust Bank of Japan, Ltd. (Trust Account) and Custody Bank of Japan, Ltd. (Trust Account) are related to their respective trust services.
3. The substantial shareholding report (change report) dated July 24, 2024, filed by Mitsubishi UFJ Financial Group, Inc. and its joint holders, which is publicly available, indicates that they hold shares stated below as of July 17, 2024. However, as we are unable to confirm the actual status of the shareholdings of these shareholders except MUFG Bank, Ltd. as of March 31, 2026, those shareholdings have not been reflected in the above list.
   The content of such a large volume holding report (change report) is as follows:

Name of Shareholder	Location	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
The Bank of Mitsubishi UFJ, Ltd.	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	2,704	4.87
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	2,376	4.28
Mitsubishi UFJ Asset Management Co., Ltd.	1-9-1, Higashi-Shinbashi, Minato-ku, Tokyo	226	0.41
Mitsubishi UFJ Morgan Stanley Japan Securities Co., Ltd.	1-9-2, Otemachi, Chiyoda-ku, Tokyo	312	0.56
Total		5,619	10.13

4. The substantial shareholding report (change report) dated November 14, 2024, filed by 3D Investment Partners Pte. Ltd., which is publicly available, indicates that it holds shares stated below as of November 7, 2024. However, as we were unable to confirm the actual status of shareholdings as of March 31, 2026, those shareholdings have not been reflected in the above list.
   The content of such a large volume holding report (change report) is as follows:

Name of Shareholder	Location	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
3D Investment Partners Pte. Ltd.	1 Temasek Avenue #20-02A Millenia Tower, Singapore 039192	5,975	10.77

5. The substantial shareholding report (change report) dated May 21, 2025, filed by Nomura Securities Co., Ltd. and its joint holders, which is publicly available, indicates that they hold shares stated below as of May 15, 2025. However, as we are unable to confirm the actual shareholdings of these shareholders as of March 31, 2026, those shareholdings have not been reflected in the above list.
The content of such a large volume holding report (change report) is as follows:

Name of Shareholder	Address	Number of Shares Held by Shareholder (Thousands of shares)	Shareholding Ratio (%)
Nomura Securities Co., Ltd.	1-13-1, Nihonbashi, Chuo-ku, Tokyo	940	1.69
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	77	0.14
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	1,373	2.47
Total		2,391	4.31

(7) Status of Voting Rights

(i) Shares Issued

As of March 31, 2026

Category	Number of Shares (Shares)	Number of Voting Rights (Units)	Description
Shares without voting rights	–	–	–
Shares with restricted voting rights – treasury stock, etc.	–	–	–
Shares with restricted voting rights – other	–	–	–
Shares with full voting rights – treasury stock, etc.	(Treasury stock) Common stock3,062,900	–	Shareholders have unlimited standard rights. The number of shares constituting a unit is 100.
Shares with full voting rights – other	Common stock49,335,600	493,356	Same as above
Shares less than one unit	Common stock 101,500	–	Same as above
Total number of shares issued	52,500,000	–	–
Total voting rights held by all shareholders	–	493,356	–

(Note) Shares under “Shares with full voting rights – other” include 200 shares held under the name of the Japan Securities Depository Center. Also, 2 units of the voting right under the “Number of Voting Rights” are related to the shares with full voting rights held under the name of the Japan Securities Depository Center.

(ii) Treasury Stock, etc.

As of March 31, 2026

Name of Shareholder	Address	Number of Shares held under Own Name (Shares)	Number of Shares held under the Name of Others (Shares)	Total Number of Shares held (Shares)	Shareholding Ratio (%)
(Treasury stock) Wacoal Holdings Corp.	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto	3,062,900	–	3,062,900	5.83
Total	–	3,062,900	–	3,062,900	5.83

2.【Information on Acquisition etc. of Treasury Stock】

<Class of shares>

Acquisition of shares of common stock under the condition set forth in Article 155, Item 3 of the Companies Act and acquisition of shares of common stock under the condition set forth in Article 155, Item 7 of the Companies Act

(1) Acquisition of Treasury Stock based on a Resolution of General Meeting of Shareholders

Not applicable.

(2) Acquisition of Treasury Stock based on a Resolution of Board of Directors

Acquisition pursuant to Article 155, Item 3 of the Companies Act

Category	Number of Shares (Shares)	Total Amount (Yen)
Status of Resolution of Board of Directors (May 15, 2025) (Period for acquisition: From May 19, 2025 to March 24, 2026)	5,800,000	28,500,000,000
Treasury stock acquired prior to the current fiscal year	–	–
Treasury stock acquired during the current fiscal year	2,342,000	12,467,259,700
Total number of remaining shares under the resolution and their aggregated value	3,458,000	16,032,740,300
Unexercised percentage as of the end of the current fiscal year (%)	59.62	56.26
Treasury stock acquired during the current period	–	–
Unexercised percentage as of the filing date of this report (%)	59.62	56.26

(3) Acquisition of Treasury Stock not based on a Resolution of Ordinary General Meeting of Shareholders or Board of Directors

Acquisition pursuant to Article 155, Item 7 of the Companies Act

Category	Number of Shares (Shares)	Total Amount (Yen)
Treasury stock acquired during the current fiscal year	411	2,117,386
Treasury stock acquired during the current period	32	150,176

(Note) The number of shares of treasury stock acquired during the current period does not include the number of shares less than one unit purchased during the period from June 1, 2026 until the filing date of this report.

(4) Status of Disposition and Holding of Acquired Treasury Stock

Category	Current Fiscal Year		Current Period	
	Number of Shares (Shares)	Total Disposition Value (Yen)	Number of shares (Shares)	Total Disposition Value (Yen)
Acquired treasury stock that was offered to subscribers for subscription	–	–	–	–
Acquired treasury stock that was canceled	3,000,000	14,055,246,983	–	–
Acquired treasury stock that was transferred due to merger, stock swap, stock delivery, or company split	–	–	–	–
Other (exercise of stock acquisition rights)	109,000	541,794,000	–	–
Other (restricted stock)	11,400	54,024,600	–	–
Number of shares of treasury stock held	3,062,921	–	3,062,953	–

(Note) The number of shares of treasury stock held during the current period does not include shares less than one unit purchased or sold during the period from June 1, 2026 until the filing date of this report.

3. 【Dividend Policy】

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated performance, while seeking to enhance our enterprise value through active investments aimed at higher profitability and to increase net income per share.

Our basic policy is to distribute earnings twice a year in the form of interim and year-end dividends subject to the resolutions of the Board of Directors as prescribed in our Articles of Incorporation pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

In principle, we distribute a year-end dividend of 50.00 yen per share as a distribution of earnings for the current fiscal year. As a result, the annual cash dividend per share, including an interim dividend of 50.00 yen per share, is 100.00 yen per share for the current fiscal year.

As for retained earnings, from the viewpoint of improving our corporate value, we have invested them in maintaining competitiveness and boosting growth power through measures including expanding and deepening contact points with customers in Japan and overseas as strategic investments whereby we strive to return profits to shareholders through a future earnings increase.

(Note) The distribution of earnings for which record date belongs to the current fiscal year is as follows:

Date of Resolution	Total Dividend Amount (Millions of yen)	Dividend Amount per Share (Yen)
November 12, 2025 Resolution of Board of Directors' meeting	2,490	50.00
May 14, 2026 Resolution of Board of Directors' meeting	2,472	50.00

4. 【Corporate Governance, etc.】

(1) 【Status of Corporate Governance】

(i) Fundamental Policies of Corporate Governance

The basic policy and purpose of our group's corporate governance is to continuously enhance our corporate value by increasing transparency and ensuring the fairness and independence of our corporate management in order to establish "mutual trust" in relationship with all stakeholders, including our shareholders, customers, employee, clients and the local community.

Please access our website below for our Corporate Governance Guidelines, including our basic policy.
https://www.wacoalholdings.jp/en/group/governance/

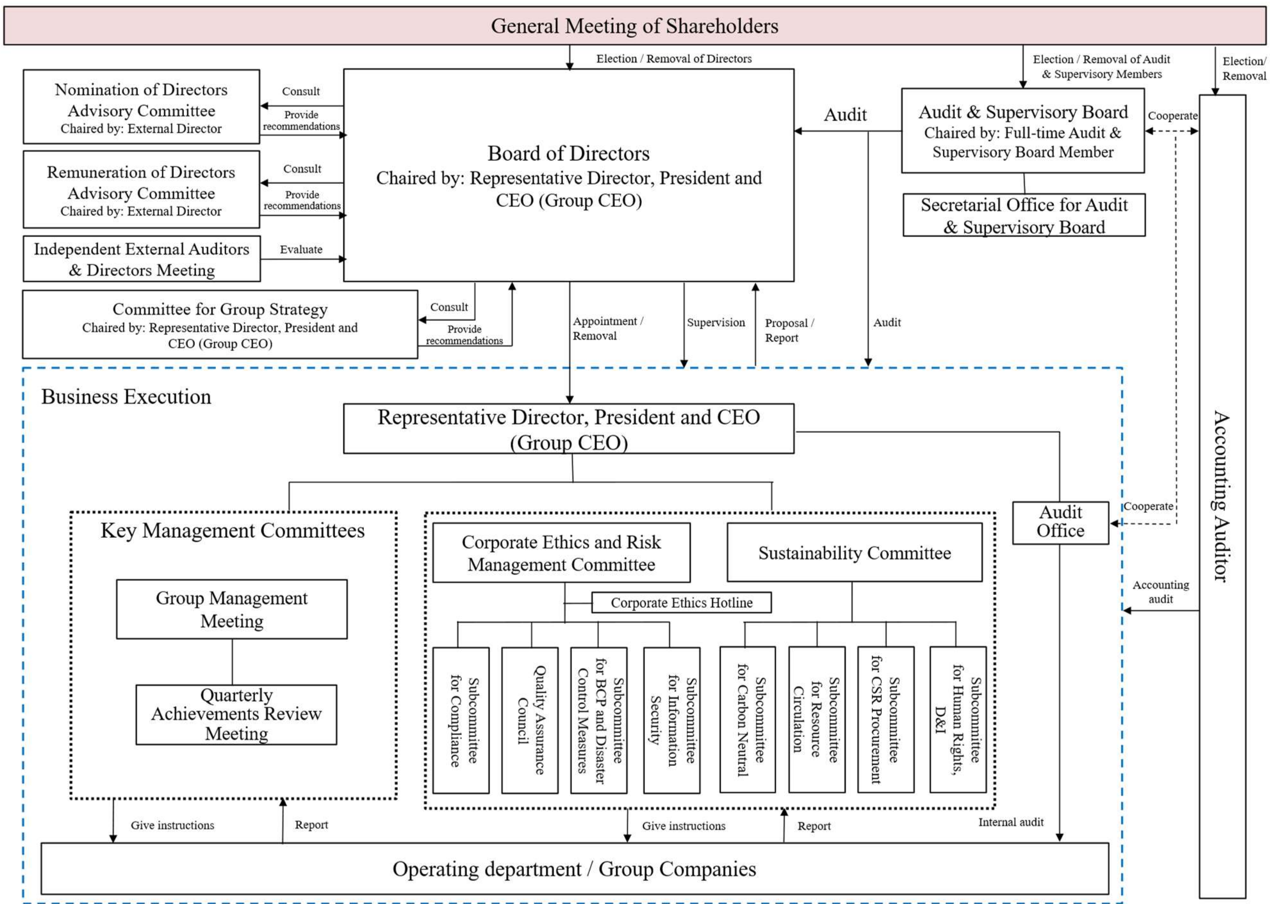
(ii) Outline of System of Corporate Governance and Reason for Adoption of such System

a. Outline of System of Corporate Governance

We, as a holding company, have adopted the Company with Audit and Supervisory Board system in accordance with the Companies Act for the purpose of ensuring the corporate governance of group companies, and have both the Board of Directors and the Audit and Supervisory Board monitor and audit the management and operation of the Company.

In addition, we have voluntarily established the Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee as the advisory bodies to the Board of Directors, which are chaired by External Directors (Independent) and have External Directors (Independent) making up the majority of their members. In addition, as for important matters to be resolved at the Board of Directors and main management issues, etc. such as the Group's management philosophy, management policy, medium- and long-term management strategy, medium-term business strategy and allocation of management resources, which are positioned as the core, the Board of Directors consults with the Committee for Group Strategy, in which the Representative Director, President and CEO (Group CEO) acts as the Chair and all independent officers (External Directors (Independent) and External Audit and Supervisory Board Members (Independent)) attend to fully discuss from various perspectives and provide their advice.

The following diagram illustrates the outline of our corporate governance system (as of June 26, 2026).



The members and chairpersons of the Board of Directors, the Audit and Supervisory Board and the committees established on a voluntary basis are as follows. While the members of the Group Management Meeting and the Corporate Ethics and Risk Management Committee include the employees of the Company as well as the Directors and employees of our domestic and overseas group companies, only the Directors, Audit and Supervisory Board Members and Corporate Officers are shown below: (as of June 26, 2026)

Title	Name	Female	Board of Directors	Audit and Supervisory Board	Nomination of Directors Advisory Committee	Remuneration of Directors Advisory Committee	Independent External Auditors & Directors Meeting	Committee for Group Strategy	Group Management Meeting	Corporate Ethics and Risk Management Committee	Sustainability Committee
Representative Director, President and CEO (Group CEO)	Masaaki Yajima		◎		○			◎	○	☆	☆◎
Director	Akira Miyagi		○		○	○	◎	○	◎	○	○
Director and Corporate Officer	Keisuke Kawanishi		○					○	○	○	○
External Director (Independent)	Tsunehiko Iwai		○		◎	◎	○	○			△
External Director (Independent)	Chizuru Yamauchi	○	○		○	○	○	○			△
External Director (Independent)	Hisae Sato	○	○		○	○	○	○			△
External Director (Independent)	Koji Nitto		○		○	○	○	○			△
External Director (Independent)	Tetsuro Harada		○		○	○	○	○			△
Audit and Supervisory Board Member	Shinichi Kitagawa		□	◎			○	△	○	△	△
Audit and Supervisory Board Member	Katsuhiro Okamoto		□	○			○	△	○	△	△
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki		□	○	△	△	○	△			△
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	○	□	○			○	△			△
External Audit and Supervisory Board Member (Independent)	Harunobu Shiho		□	○			○	△			△
Corporate Officer	Katsuya Hirooka		△				○	○	○	◎	○
Corporate Officer	Atsuko Shinozuka	○	△					○	○	○	○
Corporate Officer	Tetsu Ogura		◇				◇	○◇	◇	○◇	◇
Corporate Officer	Tsutomu Fujimura		△					○	●		
Corporate Officer	Shinsuke Fukazawa		△		◇	○◇	△	●	○	○	
Corporate Officer	Yoshitaka Nakada									●	

(☆ supervisor, ◎ chair or chairperson, ○ member, □ attendee, ◇ Secretarial Office, △ observer, ● non-standing member)

The outline of the Board of Directors, the Audit and Supervisory Board and the committees established on a voluntary basis is as follows:

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Board of Directors</td><td>Members</td><td>• 8 members (including 5 External Directors (Independent) and 5 Audit and Supervisory Board Members (including 3 External Audit and Supervisory Board Members (Independent)))
• Representative Director, President and CEO (Group CEO), Mr. Masaaki Yajima serves as the Chair of the Board of Directors.</td></tr>
<tr><td>Purpose</td><td>• Our Board of Directors is constituted of Directors entrusted by shareholders and makes the best decisions based on fair judgment. In addition, our Board of Directors exercises its supervisory function for the execution of its business and aims to maximize corporate value.
• In addition to decision-making regarding material matters as stipulated in applicable laws and regulations or in our Articles of Incorporation, the Board of Directors sets out the Group's management philosophy and formulates management policy.
• It formulates a medium-term management plan to be shared by the Directors and employees within the Group based on consideration of medium- to long-term management strategies and social issues, directs courses of action and performance targets for each department in the medium to short-term that are consistent with this plan and supervises the progress of its implementation.
• The Company will formulate basic policies on sustainability issues, and monitor the allocation of management resources and the implementation of business portfolio strategies to contribute to sustainable growth.</td></tr>
<tr><td>Structure</td><td>• In accordance with the number of Directors as prescribed in our Articles of Incorporation, the Board of Directors is composed of an appropriate number of Directors who are capable of performing the functions of the Board of Directors in the most effective and efficient manner, taking into account the portfolio and size of business.
• Appointment and removal criteria are developed to ensure 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 in order to ensure that the Board of Directors has the balance of skills that should be held, such as knowledge, experience and expertise in light of management strategies.
• It is stipulated that 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 half of all Directors shall be External Directors (Note). (Note: The current composition ratio of External Directors is 63%.)</td></tr>
<tr><td>Frequency</td><td>• In principle, the ordinary meeting of the Board of Directors is held once a month, while extraordinary meetings are convened whenever necessary.</td></tr>
</table>

Name		Outline
Audit and Supervisory Board	Members	• 5 members (including 3 External Audit and Supervisory Board Members (Independent)) • Audit and Supervisory Board Member Mr. Shinichi Kitagawa serves as the Chair of the Board.
	Purpose	• The Audit and Supervisory Board Members entrusted by shareholders prepare an audit report, appoint the Chair of the Audit and Supervisory Board, determine appointment and removal of full-time members, audit policies, procedures of investigation on the conduct of the business, the assets and properties and other matters regarding the execution of duties of Audit and Supervisory Board Members in accordance with the Companies Act. They also establish a sound corporate governance structure that upholds the public's trust by deliberating or resolving important matters related to auditing, such as matters regarding the appointment, removal or non-reappointment of the Accounting Auditor, consent on the amount of remuneration, etc. paid for the Accounting Auditor and consent on a proposal to elect Audit and Supervisory Board Members. • The Board builds a system to enhance the effectiveness of audit by each Audit and Supervisory Board Member.
	Structure	• As an Audit and Supervisory Board Member, the Company appoints individuals who possess the appropriate experience, ability, and necessary knowledge to ensure independence from all managerial and executive aspects, perform the audit function, and monitor management from a broad perspective of the Group, maintaining a fair, neutral, and objective standpoint. In addition, we will make efforts to appoint at least one Audit and Supervisory Board Member who has considerable knowledge of finance and accounting. • A majority of the members shall be External Audit and Supervisory Board Members (Independent).
	Frequency	• In principle, the Board holds a meeting every month prior to the ordinary meeting of the Board of Directors, while extraordinary meetings are convened whenever necessary.

Name		Outline
Nomination of Directors Advisory Committee	Members	• 7 members (including 5 External Directors (Independent)) • External Director (Independent) Mr. Tsunehiko Iwai serves as the Chair of the Committee.
	Purpose	• This Committee deliberates and provides recommendations to our Board of Directors on matters related to evaluation, election and dismissal of Directors as well as candidates for promotion, and on matters regarding establishment and revisions of rules and bylaws for Directors. • A committee meeting can be officially held by the attendance of the majority of committee members, and approvals shall be adopted by a majority of attendees.
	Structure	• This Committee is composed of the following members. Representative Director and President, Director in charge of Group Business Management, and External Director (Independent) • A majority of the Committee members are External Directors (Independent), with an External Director (Independent) serving as the Chair, to enhance its fairness, independence and objectivity. • The Committee is also attended by one External Audit and Supervisory Board Member (Independent) as an observer.
	Frequency	• In principle, the Committee holds meetings in July, November and January when the ordinary meeting of the Board of Directors is held, while extraordinary meetings are convened whenever necessary.

Name		Outline
Remuneration of Directors Advisory Committee	Members	• 7 members (including 5 External Directors (Independent)) • External Director (Independent) Mr. Tsunehiko Iwai serves as the Chair of the Committee.
	Purpose	• This Committee discusses and provides recommendations to our Board of Directors on matters regarding performance review and remuneration of Directors, and matters regarding remuneration system of Directors. • A committee meeting can be officially held by the attendance of the majority of committee members, and approvals shall be adopted by a majority of attendees.
	Structure	• This Committee is composed of the following members. Director in charge of Group Business Management, Director (or Corporate Officer) in charge of Human Resources, and External Director (Independent) • A majority of the Committee members are External Directors (Independent), with an External Director (Independent) serving as the Chair, to enhance its fairness, independence and objectivity. • The Committee is also attended by one External Audit and Supervisory Board Member (Independent) as an observer.
	Frequency	• In principle, the Committee holds meetings in April, July and February when the ordinary meeting of the Board of Directors is held, while extraordinary meetings are convened whenever necessary.

Name		Outline
Independent External Auditors & Directors Meeting	Members	• 12 members (including 5 External Directors (Independent) and 3 External Audit and Supervisory Board Members (Independent)) • Director Mr. Akira Miyagi serves as the Chair of the Committee.
	Purpose	• The meeting attendees, mainly composed of our External Directors (Independent) and External Audit and Supervisory Board Members (Independent), discuss enhancing the effectiveness of corporate governance and our Board of Directors and improving its operations. • The meeting attendees analyze and evaluate the effectiveness of our Board of Directors using a third-party evaluation design, identify issues, compile improvement measures, and provide recommendations to our Board of Directors.
	Structure	• This Meeting is composed of all External Directors (Independent) (5 members), External Audit and Supervisory Board Members (Independent) (3 members), Director (or Corporate Officer) in charge of Group Business Management and Audit and Supervisory Board Members (2 members). • In addition, it has discretion to appoint advisors for matters such as legal affairs, accounting and finance.
	Frequency	• It is stipulated that the Meeting convenes at least once a year.

Name		Outline
Committee for Group Strategy	Members	• 12 members (including 5 External Directors (Independent)) • Representative Director, President and CEO (Group CEO), Mr. Masaaki Yajima serves as the Chair of the Committee.
	Purpose	• The Committee is attended by all External Directors (Independent) and External Audit and Supervisory Board Members (Independent) to fully discuss the Group's management philosophy, the management policy, the medium- and long-term management strategy, important matters to be decided by the Board of Directors, such as medium-term business strategy and allocation of management resources, which are positioned as the core, main management issues, etc. from various perspectives and make a report at the Board of Directors. • It also monitors the progress of the contents of the report and supervise to ensure that appropriate adjustment is made in a timely manner.
	Structure	• This Committee is composed of the Representative Director, President and CEO (Group CEO), who serves as the Chair, the Executive Directors, the Corporate Officers who are appointed by the Chair, and all External Directors (Independent). • In addition, all External Audit and Supervisory Board Members (Independent) and Audit and Supervisory Board Members are invited as observers. • In addition, depending on the topic of the recommendation requested by the Board of Directors, external advisors and experts are invited.
	Frequency	• In principle, it is held on the date of the ordinary meeting of the Board of Directors to monitor the progress status of the contents of the report and as required depending on the topic of the recommendation.

Name		Outline
Group Management Meeting	Members	• 8 members (Note: excluding the Directors and employees, who are a member of a company other than the Company (our domestic and overseas group company)) • Director Mr. Akira Miyagi serves as the Chair of the Committee.
	Purpose	• The Group Management Meeting considers matters related to group management strategy and important management issues under the medium- to long-term management strategies determined by the Board of Directors. • The Meeting also conducts preliminary deliberations on important matters mainly related to business execution, prior to resolutions by the Board of Directors, from the viewpoint of legality, objectivity and rationality.
	Structure	• This Meeting is composed of Executive Directors who are below the Representative Director, President and CEO, and the Audit and Supervisory Board Members, as well as the Corporate Officers who are appointed by the Chair and the Directors and employees of our domestic and overseas group companies who are responsible for execution.
	Frequency	• In principle, the Meeting is held twice a month (early and later in the month).

Name	Outline	
Corporate Ethics and Risk Management Committee	Members	• 7 members (Note: excluding the Directors and employees, who are a member of a company other than the Company (our domestic and overseas group company)) • Corporate Officer and CFO, Mr. Katsuya Hirooka serves as the Chair of the Committee.
	Purpose	• The Committee identifies risks related to the overall management of our group, and builds and strengthens our risk management system. • This Committee prescribes the "Risk Management Basic Rules," subject to the approval of the Board of Directors. The Committee clarifies the responsibilities by risk category pursuant to the rules, and formulates a risk management system that thoroughly and comprehensively controls potential risk within our group. • This Committee promotes risk-mitigation initiatives, identifies risks, monitors the implementation of countermeasures, and reports the operation status of our risk management system to the Board of Directors on a periodic basis.
	Structure	• This Committee is composed of the Representative Director, President and CEO (Group CEO), who serves as the supervising manager, the Executive Director, and the Corporate Officers who are appointed by the Chair, and the employees of the Company, as well as the Directors and employees of our domestic and overseas group companies. • This Committee is composed of the following three subcommittees and one council: Subcommittee for Information Security, Subcommittee for BCP and Disaster Control Measures, Quality Assurance Council and Subcommittee for Compliance.
	Frequency	• In principle, the Committee holds quarterly meetings, while extraordinary meetings are convened whenever necessary.

Name	Outline	
Sustainability Committee	Members	• 5 members • Representative Director, President and CEO (Group CEO), Mr. Masaaki Yajima serves as the Chair of the Committee.
	Purpose	• In order to accelerate our initiatives to achieve balancing "to resolve social issues" and "sustainable growth" through our business activities, this Committee formulates a basic policy on sustainability issues surrounding the Group, including climate change, global environmental issues and human rights issues. • Based on a basic policy, it formulates concrete measures, monitors progress and evaluates achievements. • The Board of Directors overseas the implementation of strategies related to the allocation of management resources and the business portfolios to ensure that the initiatives of the Committee contribute to sustainable growth.
	Structure	• This Committee is composed of the Representative Director, President and CEO (Group CEO), who serves as the supervising manager, the Executive Director, and the Corporate Officers who are appointed by the Chair. • In addition, External Directors (Independent) (5 members), External Audit and Supervisory Board Members (Independent) (3 members) and all Audit and Supervisory Board Members (2 members) are invited as observers. • This Committee is composed of the following four subcommittees: Subcommittee for Human Rights, D&I, Subcommittee for CSR Procurement, Subcommittee for Resource Circulation and Subcommittee for Carbon Neutral.
	Frequency	• The Committee broadly categorizes issues surrounding sustainability, and, in principle, holds two meetings per half year (four meetings per year) on the date of the ordinary meeting of the Board of Directors, while extraordinary meetings are convened whenever necessary.

b. Reason for Adopting Such Corporate Governance System

The Company has adopted the organization design of a "Company with Audit and Supervisory Board," defined by the Companies Act, with a governance system consisting of a "Board of Directors" composed of internal Directors who are experts in each business area and External Directors (Independent) with diverse careers, and an "Audit and Supervisory Board" including External Audit and Supervisory Board Members (Independent) with adequate skill balance of knowledge, experience and expertise as well as independence. We, as a holding company, believe that this governance system is effective in supervising and auditing the execution of duties at our group companies and to realize and maintain high-quality management.

In addition, we have established the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee as the advisory bodies to the Board of Directors. Fairness, independence and objectivity are enhanced by having a majority of both Committees composed of External Directors (Independent), by having an External Director (Independent) serve as the Chair of each Committee, and by having an External Audit and Supervisory Board Member (Independent) attend as an observer to share the details of deliberations with the Audit and Supervisory Board.

For the foregoing reason, we have adopted our current governance system.

c. Analysis and Evaluation on Effectiveness of Board of Directors

The Company conducts an annual evaluation on the effectiveness of the Board of Directors, and strives to continuously enhance the functions and effectiveness of the Board of Directors from the two viewpoints of "enhancing trust from stakeholders (creating social value)" and "improving organizational performance (enhancing corporate value)." We work on the improvement measures for issues identified by the evaluation, and confirm the status of improvement during the evaluation of the Board of Directors in the following fiscal year, while at the same time continuing to confirm the evaluation of the current issues.

i) Evaluation Process

Starting from the fiscal year ended March 31, 2022, we have changed to a method of analyzing and/or evaluating the effectiveness of the Board of Directors using a third-party evaluation design (including, among other things, preparation and analysis of questionnaire survey as well as comparison with other companies, identifying issues, drafting action plans).

The analysis and/or evaluation based on the questionnaire survey and interviews using the third-party evaluation design is conducted every other year. During the interval year, we focus on initiatives to improve the issues identified from the questionnaire survey, while at the same time conducting evaluation through monitoring and by collecting opinions at the Independent External Auditors & Directors Meeting for the Effectiveness of Board of Directors.

As for the effectiveness evaluation for the current fiscal year (ended March 31, 2026), using a third party, we conducted a questionnaire survey of all Directors and Audit and Supervisory Board Members and collected their opinions through interviews.

Since the current fiscal year is the last fiscal year of the medium-term management plan (revised) (announced in November 2023) and the fiscal year in which the next medium-term management plan is developed, for the evaluation, we considered evaluation items focusing on the supervisory function that should be performed from now on preparing for the discussion about the formulation of the medium- to long-term management plan and aiming for the achievement of targets by swiftly responding to the opportunities and risks associated with the changes in the business environment.

The evaluation items of the questionnaire survey are as follows. In particular, to gather constructive comments, such as items on which the Board of Directors should focus from the next fiscal year (ending March 31, 2027) onwards, many fields for free descriptive answers were inserted.

i) roles of the Board of Directors
ii) structure of the Board of Directors
iii) quality of discussions (agendas, content of materials, etc.)
iv) accountability to stakeholders

During the interview, we conducted a deep dive into awareness of the issues, based on the answers to the questionnaire survey. In addition, considering major internal and external business environmental factors surrounding the Company, we asked for comments on the validity of the next medium-term management plan and specific methods of the supervisory function that the Board of Directors should perform in the next fiscal year to achieve the plan.

Then, based on a third party's advice, we extracted issues and compiled measures for the future. After a frank exchange of opinions at the Independent External Auditors & Directors Meeting, we provided recommendations to our Board of Directors.

ii) Evaluation Results of Effectiveness and Progress on Initiatives for Improvement

With the deliberation by the Board of Directors based on the answers to the questionnaire survey and the interview, we confirmed that, particularly to make the next medium-term management plan feasible, during the formulation process, following discussion was carried out by not only by the Board of Directors but also by the Committee for Group Strategy, in which the management that executes business and all independent officers (External Directors (Independent) and External Audit and Supervisory Board Members (Independent)) attend, for 23 times, and the effectiveness is secured.

i) To carry out discussions with market uncertainty in mind considering changes in the environment, the Board of Directors consists of members with various knowledge and experience, and each member actively presents his/her opinion from his/her perspective.
<Issues of previous fiscal year (ended March 31, 2025) i) Improvement of "Utilization of knowledge of External Directors (Independent) and promotion of more active discussion">

ii) While flexibly adapting to environmental changes, the Board of Directors and the Group Management Meeting continue discussions on strategies and set an appropriate agenda depending on the conditions.
<Improvement of the issue of previous fiscal year i) "Carefully select agenda items to activate and prioritize discussions on important business issues and medium- and long-term business strategies.">

iii) A wide range of work-site inspection opportunities is ensured for External Officers. The Secretarial Office also actively presents proposals and executes operations that contribute to deepening understanding of business.
<Improvement of the issue of previous fiscal year ii) "Improve the quality of deliberations based on communication with our employees and inspection of local business offices in order to understand the reality of risks and opportunities.">

Meanwhile, to achieve the targets of the next medium-term management plan, we acknowledge the issues stated under "Evaluation Result (Issues and Concerns)" and "Improvement Initiatives (Measures)" in the table below from the viewpoint of steady execution of the set measures and swift adaptation to the changes in the environment. We will continue monitoring and improve the effectiveness through initiatives by the management that executes business.

<table>
<tr><th></th><th>Evaluation Result (Issues and Concerns)</th><th>Improvement Initiatives (Measures)</th></tr>
<tr><td rowspan="4">Current Fiscal Year (ended March 31, 2026)</td><td>i) Fast response understanding environmental changes when risks or opportunities emerge
・ Improvement of the explanation based on a scenario, assuming the emergence of risks or opportunities
・ Acceleration of business decisions by grasping environmental changes
<Continuation of the issue of previous fiscal year v)></td><td>・ Enhancement of discussion about strategies based on multiple scenarios, considering upcoming environmental changes and deliberation and clarification of measures in advance to respond quickly to foreseen environmental changes when they emerge</td></tr>
<tr><td>ii) Clarification of the discussion points of the Board of Directors, both in the materials and the explanation of the day
・ Enforcement of the timely and appropriate sharing of the background information of the consideration (such as assumptions and the grounds for the decision) by the business execution side
<Continuation of the issue of previous fiscal year iv)></td><td>・ Clarification of the discussion points with decision-making through appropriate supplements to the discussion summary at management meetings, etc. and timely and adequate sharing of the background information of the consideration (such as assumptions and the grounds for the decision) by the management that executes business</td></tr>
<tr><td>iii) Enhancement of the sharing of the handling status of the points raised at the Board of Directors
・ Clarification of handling matters based on the points raised and reinforcement of follow-up of the handling status
<Continuation of the issue of previous fiscal year iii)></td><td>・ Improvement of the effectiveness of the handling of the points raised with the clarification of the major points raised for each agenda item and prioritization for the next meeting first, then the clarification of handling items and continuous follow-up</td></tr>
<tr><td>iv) Further enhancement of communication between External Directors (Independent) and the management that executes business
・ More activation of frank and constructive dialogue during explanation and Q&A sessions</td><td>・ Improvement of communication by enhancing opportunities for senior executives and External Directors (Independent) to interact each other and nurture mutual understanding and trust</td></tr>
</table>

<Reference: Issues of the previous fiscal year (Table listed on the Annual Securities Report of the previous fiscal year)>

<table>
<tr><th></th><th>Evaluation Result
(Issues and Concerns)</th><th>Progress/Plan of Initiatives for Improvement</th></tr>
<tr><td>Previous Fiscal Year (ended March 31, 2025)

Evaluation results on issued identified in previous years</td><td>i) Allocation of more time to the consideration of important business matters, such as medium- to long-term strategies, and at the same time, utilization of knowledge of External Directors (Independent) and promotion of more active discussion at the meetings of the Board of Directors</td><td>(Activity status)
・ For each activity item for the main business issues raised in the medium-term management plan (revised), a year-round schedule was drawn up and periodical progress report was made.
・ A number of discussion sessions were held on issues in overseas businesses (in China and other countries) and business improvement KPIs, based on reports from the management personnel of local companies.
(Plan)
・ The next medium-term management plan will be defined in the next fiscal year. Accordingly, we will carefully select agenda items of Board of Directors meetings to activate and prioritize discussions on important business issues and medium- and long-term business strategies to define the next medium-term management plan.</td></tr>
</table>

	Evaluation Result (Issues and Concerns)	Progress/Plan of Initiatives for Improvement
	ii) Further improvement in the quality of deliberations based on communication with our employees and inspection of local business offices in order to understand the reality of business conditions as well as risks and opportunities.	(Activity status) ・ We had visits and inspection trips to stores, distribution centers, real estate holdings, domestic and foreign factories, etc. to properly respond to the changes in the business environment. ・ We provided the Independent Officers with opportunities to have discussions with brand managers regarding brand strategies and opportunities to have exchange with Corporate Officers. (Plan) ・ In addition to continuing to provide opportunities to visit stores, distribution centers, real estate holdings, etc., we will enhance exchange opportunities for Independent Officers with section managers and department managers who engage in Supply Chain Management (SCM) reform and sales activities.
	iii) We will put in place an organizational system that can correct plans in a proper and timely way as necessary through unfailing reporting of the statuses and results of executing Board of Directors resolutions, including the progress of the medium-term management plan.	(Activity status) ・ There was a progress report and deep discussions on activities for the main business issues raised in the medium-term management plan (revised) and the structural reform of the specified wholly-owned subsidiary company (Wacoal Corporation). ・ Structural decisions were made on stock transfer, business transfer, and the consolidation and restructuring of domestic factories based on the monitoring of the profitability of each subsidiary company. ・ Periodical reports were made on activities for asset reduction, and a resolution was made to sell some of the real estate holdings. (Plan) ・ Included in “item v” listed below.
	iv) Reinforcement of the distribution of meeting materials in advance and the improvement of the quality of discussion by clarifying the argument of the materials	(Activity status) ・ Requirements for meeting documents were defined and communicated to those who prepare meeting documents in order to improve the clarity of discussion points. However, there is room for improvement in descriptions of executive summaries, in which clear statements should be made on the intention and background of summiting the document to the Board of Directors, discussion points, and findings in the Management Meeting. (Plan) ・ We will work for early submission of meeting documents to secure time for the Board of Directors secretariat to check and correct them in order to further improve the quality of discussions by clarifying discussion points through observing the meeting document requirements.

	Evaluation Result (Issues and Concerns)	Progress/Plan of Initiatives for Improvement
	v) Arrangement of the system that allows us to identify risks and opportunities and take the risks adequately accommodating to the changes in the business environment	(Activity status) ・ Progress has been made in improving meeting materials to clearly state matters that should be recognized as risks (uncertainties) when discussing the transfer of shares or businesses, or M&A deals, but there is room for improvement in the area of uncovering risks and opportunities of wider scope that take into account the external environment and the situation of the Company itself, and of deepening discussions of the same (Plan) ・ For the definition of the next medium-term management plan, we will list items to be prepared before plan definition and revise the format to facilitate progress management against the planned schedule. ・ We will improve the process of defining business plans to facilitate the effectiveness evaluation of strategic scenarios and to activate discussions and decisions on recovery plans and on the need for strategy changes when risks or opportunities materialize.
	vi) Development of a successor nurturing plan including the selection and nurturing process of candidates and the implementation of monitoring	(Activity status) ・ We consulted the Nomination of Directors Advisory committee on the process of selecting board member candidates targeting Corporate Officers and department managers, and had discussions based on responses from the committee. ・ We implemented a human resource development program for management personnel candidates of the specified wholly-owned subsidiary company (Wacoal Corporation) naming a Corporate Officer of the subsidiary as the mentor. (Plan) ・ We will clarify the selection/deselection criteria targeting department managers and those in higher positions, and start the construction of a successor pool and the promoting and nurturing of human resources. Our plan is to further strengthen the supervisory and/or advisory functions of our Board of Directors by further utilizing the knowledge of External Directors (Independent), in addition to implementing the initiatives described above.

(iii) Other Matters regarding Corporate Governance

a. Status of Internal Control System

To ensure that the execution of duties by the Directors of the Company complies with laws, regulations, and the Articles of Incorporation and that the business conduct of the business group comprising the Company and its subsidiaries is appropriate, we conduct a yearly review of the arrangement of the systems required by the applicable Ordinance of Ministry of Justice to make continuous improvement for the construction of better and more efficient systems in accordance with the provisions of Item 6, Paragraph 4, Article 362 of the Companies Act (Authorities of Directors, etc.).

System to Ensure Appropriate Business Conduct and Operation Status of the System

System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Articles of Incorporation

- To ensure that all Directors and employees of the business group comprised of the Company and its subsidiaries ("the Wacoal Group") comply with laws and regulations and the Articles of Incorporation and conduct business based on sound social norms, we have enacted the "Wacoal Code of Ethics" and "Corporate Ethics and Wacoal Standards of Conduct."

  Operation status

  We are working to disseminate the above-mentioned policies in domestic and overseas subsidiaries by reviewing the framework of our management philosophy in June 2022, revising the "Corporate Ethics: Wacoal Standards of Conduct" to version 7 in April 2024 in response to changes in the environment surrounding our businesses, and doing other activities.

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

  Operation status

  In order to specifically develop and operate our compliance system, we have established a Subcommittee for Compliance under the Corporate Ethics and Risk Management Committee. The subcommittee convenes quarterly to discuss such things as methods of compliance awareness-raising and the status of internal alert incidents. In the fiscal year ended March 31, 2026, the subcommittee meetings were held four times in June, September, December, and March. Moreover, the subcommittee provided employees with classroom training sessions for different occupational layer, managers with 10 years or more of management experience with compliance training, and domestic subsidiaries with e-learning, etc. in order to disseminate "Corporate Ethics and Wacoal Standards of Conduct" and promote mindset change. It also conducted awareness-raising activities, including the continuation of the periodical distribution of the Group Compliance Communique (Compula-Kawara-Ban), and communicated the amendment of the law ("the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators").

  In addition, during the period as part of the activities of the quality improvement month, the subcommittee held a seminar on the risks and corporate responsibilities arising from a lack of understanding of the laws and regulations closely related to the distribution of consumer goods, including the Act against Unjustifiable Premiums and Misleading Representations and the Pharmaceutical Affairs Law.
- We have established a system under which our legal/compliance department could be promptly notified if a Director and/or employee of the Wacoal Group becomes aware of a compliance issue which may have violated the "Wacoal Code of Ethics" or the "Corporate Ethics and Wacoal Standards of Conduct," or of any other compliance issues. The system includes an internal alert system (corporate ethics hotline to the legal/compliance department and an external law firm) in which, after being notified and/or alerted, the legal/compliance department conducts an investigation and formulates preventive measures after discussions with the related department. If the issue is critical, the legal/compliance department will refer the matter to the Corporate Ethics and Risk Management Committee and will report the results of its deliberation to the Board of Directors and/or Audit and Supervisory Board.

  Operation status

  The content of internal alerts and actions taken for them are all reported to the Compliance Committee and the Corporate Ethics and Risk Management Committee, and also reported to the Board of Directors and the Audit and Supervisory Board every quarter. Also, the operation status of the internal alert system is announced to the employees on the intranet bulletin board at the end of each fiscal year.

  The internal alert system is successively communicated to domestic subsidiaries by the Group Compliance Communique (Compula-Kawara-Ban), and the dissemination status of the system to overseas subsidiaries is evaluated through a questionnaire survey and interviews. In the fiscal year ended March 31, 2026, we conducted a questionnaire survey and interviews with subsidiaries in China, the Philippines, Thailand, etc. and provided feedback based on the results.
- The "Corporate Ethics and Wacoal Standards of Conduct" prescribes that Directors and employees shall firmly refuse to comply with demands of antisocial forces. Also, in order to deal with unreasonable requests from antisocial forces, the Company collaborates with external specialized institutions, collects and manages information on antisocial forces, and develops a corporate system.

  Operation status

  The Company maintains collaboration with external specialized institutions through activities such as regular information sharing. Moreover, we confirm whether the anti-social forces exclusion clause is properly reflected in a contract before its conclusion.

System concerning the Storage and Management of Information related to Execution of Duties by Directors

- 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, 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"
- 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 10

years. The Directors and Audit and Supervisory Board Members shall have access to these documents at all times.

Operation status

Documents prescribed in the "Document Management Rules" have been properly stored in accordance with the applicable 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

- In order to understand the management risk within the Wacoal Group in general and to improve and/or strengthen our risk management system, we have established a Corporate Ethics and Risk Management Committee, for which our Representative Director, President and CEO (Group CEO) acts as the supervising manager and our Corporate Officer and CFO acts as the chairperson.

  Operation status

  In the fiscal year ended March 31, 2026, the Committee convened six times in April, June, September, December, February, and March.
- 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 system. The Committee clarifies the responsibilities by risk category pursuant to these rules, and formulates a risk management system that thoroughly and/or comprehensively controls potential risk within the Wacoal Group.

  Operation status

  Each risk management organization identified by the Corporate Ethics and Risk Management Committee scores and evaluates risks from the viewpoints of materialization probabilities and the magnitude of impact based on the Risk Management Basic Rules, using the Business Risk Evaluation Sheet, and submits the evaluation to the committee. Risks that are determined to have a major potential impact on the management of the Wacoal Group are designated and controlled by the Committee as "Group Major Risks" after approval by the risk management supervising manager.
- The Corporate Ethics and Risk Management Committee regularly reports on the operations of the Wacoal Group's risk management system to the Board of Directors.

  Operation status

  The 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. In the fiscal year ended March 31, 2026, a report was made six times in April, June, September, December, February and March.
- In order to formulate our basic policy on issues related to sustainability surrounding the Wacoal Group, we have established the Sustainability Committee, where our Representative Director, President and CEO (Group CEO) acts as the supervising manager and the Chair (concurrently served).

  Operation status

  In the fiscal year ended March 31, 2026, the Committee convened five times in May, August, September, February and March. It continued to deepen the discussion on the policy for the initiatives to achieve both resolution of social issues and sustainable growth through the Wacoal Group's business, and conducted monitoring and evaluation of ongoing initiatives.
- 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.

  Operation status

  The Sustainability Committee, is composed of Subcommittee for Carbon Neutral, Subcommittee for Resource Circulation, Subcommittee for CSR Procurement and Subcommittee for Human Rights, D&I. Each subcommittee conducted monitoring and evaluation of specific initiatives with respect to issues surrounding sustainability. In the fiscal year ended March 31, 2026, the Subcommittee for Carbon Neutral mainly conducted heat source equipment renewal to reduce GHG emissions in Japan and the overseas GHG emission reduction potential survey. The Subcommittee for Resource Circulation promoted the actual usage status survey of environmentally friendly materials used in ODM products. The Subcommittee for CSR Procurement continued monitoring and onsite inspections based on the suppliers' self-evaluation sheet. The Subcommittee for Human Rights, D&I provided the management of domestic subsidiaries with customer harassment training and managers with unconscious bias training, etc. The Sustainability Committee discussed the achievements and issues based on these initiatives.
- 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.

System to Ensure Effective Execution of Duties by Directors

- Appointment and removal criteria are developed to compose the Board of Directors that consists of a diverse group of Directors, taking into account gender, international experience and background, professional experience, age and other factors in order to ensure that the Board of Directors has the balance of skills that should be held, such as knowledge, experience and expertise in light of management strategies.

  Operation status

  The Criteria for Appointment or Removal of Officers was revised after the resolution by the Board of Directors in April 2025 from the viewpoint that the Wacoal Group shall appoint diverse Director candidates, who can increase the corporate value through stable management and company growth, after securing transparency and fairness, and propose them to the meeting of shareholders to maintain and deepen the mutually trusting relationship with stakeholders.
- 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 half of all Directors shall be independent External Directors.

  Operation status

  We engage in highly transparent decision-making by appointing 5 External Directors (Independent) among our 8 Directors.
- 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 Wacoal 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 supervises the progress of its implementation.
- The Group Management Meeting is responsible for the group's management strategies and other important management issues under the medium- to long-term management strategies determined by the Board of Directors. In addition, as for important matters to be resolved at the Board of Directors and main management issues, etc. such as the Wacoal Group's management philosophy, management policy, medium- and long-term management strategy, medium-term business strategy and allocation of management resources, which are positioned as the core, the Board of Directors consults with the Committee for Group Strategy, in which the Representative Director, President and CEO (Group CEO) acts as the Chair and all independent officers (External Directors (Independent) and External Audit and Supervisory Board Members (Independent)) attend to fully discuss from various perspectives and provide their advice. The Committee also monitors the progress of the contents of the report and supervise to ensure that appropriate adjustment is made in a timely manner.

  Operation status

  Based on the medium- to long-term management strategies of the Wacoal Group, the persons responsible for business execution (internal Directors and Corporate Officers) fully deliberate important management issues through the Group Management Meeting, which is followed by the decision-making at a meeting of the Board of Directors. Continued from the fiscal year ended March 31, 2024, the Committee for Group Strategy had multi-faceted in-depth discussions on important resolution items of the Board of Directors and major management issues, and the discussion results were reported to the Board of Directors.

  In the fiscal year ended March 31, 2026, the Committee convened every month from April to March, totaling 23 times: twice in June, July, August, September, November, January, February and March; and three times in April, May, October and December. It discussed business portfolio transformation, capital investment in a new business, advancement of demand-linked SCM, reduction of assets held and strengthening of competitiveness in overseas markets associated with business model reforms, growth strategy and asset reduction, which are positioned as core in the revised medium-term management plan. Moreover, we discussed the main points of the next medium-term management plan, considering the progress status and issues of the management plan and the business strategies of major subsidiaries in Japan and overseas, and provided recommendations.
- We will follow the business results of each Wacoal Group company on a monthly basis and report back to the Board of Directors. In addition, we hold quarterly meetings of the Quarterly Achievements Review Meeting, in which we review and confirm the quarterly business results and the implementation of measures and policies, and consider enhancement measures as may be necessary.

  Operation status

  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.
- In the specified wholly owned subsidiaries of the group, we establish an appropriate and efficient system by delegating authority and clarifying responsibilities through the corporate officer system.

  Operation status

We allocated 12 Corporate Officers to Wacoal Corporation, a wholly-owned subsidiary, to secure and improve the maneuverability and agility of business execution.

System to Ensure Appropriate Business Conduct within Group Companies

- We have enacted our "Group Management Rules," which prescribes basic policies regarding the management of our 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.
- We conduct any intercompany transaction fairly in compliance with laws and regulations, accounting principles and the tax system.

  Operation status

  Matters to be decided and reported by the Company and its subsidiaries are appropriately managed in accordance with the "Group Management Rules." The Group Management Rules also stipulate fair conduct in inter-group business transactions, and this is communicated to group members.
- Our Audit Office will conduct audits of operations within the Wacoal Group, including audits of the establishment and/or operation of our compliance system and risk management system, and will 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 our group companies to ensure appropriate conduct of business.

  Operation status

  Our Audit 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.
- Our foreign subsidiaries will comply with the laws and regulations of their respective home countries and will adopt a system that is in line with our policies to the extent reasonable.

Matters Concerning an Assistant of an Audit and Supervisory Board Member when an Audit and Supervisory Board Member Requests Such a Person

- 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.

  Operation status

  Our Audit Office assists the duties of the Audit and Supervisory Board Members upon their request from time to time.

  Audit and Supervisory Board Members have not requested an assistant, and therefore no assistant for their duties has been appointed.

Matters Concerning the Independence of an Assistant Set Forth in the Preceding Item from the Director, and Matters Related to the Assurance of the Effectiveness of the Instruction from an Audit and Supervisory Board Member to Such an Assistant

- 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, will be subject to the consent of the Audit and Supervisory Board Members.

Reporting System of Directors and Employees to the Audit and Supervisory Board Members and Other Systems related to the Report to Audit and Supervisory Board Members

- Directors of the Wacoal Group shall promptly report to the Audit and 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 Wacoal Group.
- Employees of the Wacoal Group may directly report to the Audit and 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 Wacoal Group.
- In addition to statutory matters, Directors and employees of the Wacoal Group shall maintain a system that always allows Audit and Supervisory Board Members to attend a meeting or view materials when they judge it necessary for audit purposes.
- Directors of Wacoal Group shall report to Audit and Supervisory Board Members on the status of the arrangements and operations of internal controls, compliance and risk management of the Company and its subsidiaries, as required.

  Operation status

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

  During the fiscal year ended March 31, 2026, there was no report on a material fact that violates the applicable laws and regulations and/or Articles of Incorporation based on the provisions of this section, which a Director or an employee found. During the period, the Audit and Supervisory Board Members conducted interviews with all Directors, Corporate Officers and some Heads of Department (senior executives including General Managers, and Presidents of domestic subsidiaries). As a result, no report was made to inform of discovery of material matters, etc.

Moreover, the Audit and Supervisory Board Members accept consultations and reports from directors or employees regarding accounting and auditing; however, no such report was made during the period.

The Audit and Supervisory Board Members also receive reports on the results of the business audit by the Internal Auditing Office and on the status of the arrangements and operations of internal controls, compliance and risk management, as required.

System to Ensure the Employees Who Made Such Report in the Preceding Item Will Not Be at a Disadvantage for the Reason of Making Such Report

- Each company of the Wacoal Group, including the Company, shall stipulate and publicize rules that prohibit treating employees who have reported a material fact that violates the applicable laws and regulations and/or Articles of Incorporation, etc., disadvantageously with dismissal, demotion, pay cut, non-payment of retirement benefits and any other means for reporting, notifying or consulting with Audit & Supervisory Board Members.

Operation status

At the time of interviews with Directors, Corporate Officers and some Heads of Department, Audit and Supervisory Board Members explain the scope of disclosure of the interview content and confidentiality.

Matters Concerning the Policy on the Handling of Expenses or Debt Arising from the Execution of Duties by Audit and Supervisory Board Members

- The Audit and Supervisory Board Members may order employees who belong to the Audit Office to perform any tasks that are required to provide their services. In addition, the Audit and Supervisory Board Members may request the Company for reimbursement of expenses incurred for performing their duties.

Operation status

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

Other Systems to Ensure Effective Audits by Audit and Supervisory Board Members

- The majority of the Audit and Supervisory Board Members of the Company will be External Audit and Supervisory Board Members (Independent) to enhance the transparency and neutrality of audit.
- Audit and Supervisory Board Members will attend meetings of the Board of Directors and may also attend other primary meetings of the Wacoal Group.
- The Audit and Supervisory Board Members will regularly meet with the Audit Office and the Accounting Auditor to receive reports and to exchange opinions.
- The Audit and Supervisory Board may consult legal counsel, certified public accountants, consultants or other outside advisors as it deems necessary.

Operation status

We enhance the effectiveness of audit by appointing 3 External Audit and Supervisory Board Members (Independent) among the 5 Audit and Supervisory Board Members.

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

b. Matters Concerning Limitation of Liability Agreements with External Directors (Independent) and External Audit and Supervisory Board Members (Independent)

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.

c. 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 and 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 associated 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.

Moreover, in order to ensure that the appropriate conduct of the insured when performing their duties is maintained, this insurance policy will not cover the insured's losses related to activities engaged while being aware of criminal acts or violations of the laws and regulations.

d. Number of Directors

Our Articles of Incorporation prescribe that the number of Directors of the Company shall be not more than 8.

e. Requirement for Appointment of Directors

Our Articles of Incorporation prescribe that resolutions to appoint Directors shall be made by a majority vote of the voting rights of shareholders present at a General Meeting of Shareholders, where such shareholders present shall hold shares representing one-third or more of the voting rights of all shareholders who are entitled to exercise such voting rights and that resolutions to appoint Directors shall not be adopted by cumulative voting.

f. Matters to Be Resolved at the General Meeting of Shareholders that can be Resolved by the Board of Directors

Our Articles of Incorporation prescribe that matters such as dividends of surplus and share repurchase set out in Items of Paragraph 1, Article 459 of the Companies Act shall be determined by the resolution of the Board of Directors, unless otherwise provided for in any laws or regulations, to enable agile capital-policy-making and expeditious profit return to our shareholders.

g. Requirement for Special Resolutions at General Meeting of Shareholders

Our Articles of Incorporation prescribe that a resolution as stipulated in Paragraph 2, Article 309 of the Companies Act shall be adopted by a two-thirds majority of the voting rights held by the shareholders present at the General Meeting of Shareholders, who shall represent one-third or more of the total number of voting rights of the shareholders who are entitled to exercise such voting rights.

(iv) Status of Activity of Board of Directors, Nomination of Directors Advisory Committee and Remuneration of Directors Advisory Committee and the Committee for Group Strategy (Fiscal Year ended March 31, 2026)

The following table shows the members and chairpersons of the Board of Directors, the Nomination of Directors Advisory Committee, the Remuneration of Directors Advisory Committee, and the Committee for Group Strategy as well as their meetings and attendance record for the fiscal year ended March 31, 2026:

Title	Name	Board of Directors	Meeting Attendance	Nomination of Directors Advisory Committee	Meeting Attendance	Remuneration of Directors Advisory Committee	Meeting Attendance	Committee for Group Strategy	Meeting Attendance
Representative Director, President and CEO (Group CEO)	Masaaki Yajima	◎	19/19 (100%)	○	8/9 (89%)			◎	23/23 (100%)
Representative Director, Vice President, Executive Officer and CFO	Akira Miyagi	○	19/19 (100%)	○	9/9 (100%)	○	7/7 (100%)	○	23/23 (100%)
Director and Corporate Officer	Keisuke Kawanishi	○	19/19 (100%)					○	23/23 (100%)
External Director (Independent)	Tsunehiko Iwai	○	19/19 (100%)	◎	9/9 (100%)	◎	7/7 (100%)	○	23/23 (100%)
External Director (Independent)	Chizuru Yamauchi	○	19/19 (100%)	○	9/9 (100%)	○	7/7 (100%)	○	23/23 (100%)
External Director (Independent)	Hisae Sato	○	19/19 (100%)	○	9/9 (100%)	○	7/7 (100%)	○	23/23 (100%)
External Director (Independent)	Koji Nitto	○	19/19 (100%)	○	9/9 (100%)	○	7/7 (100%)	○	23/23 (100%)
External Director (Independent)	Tetsuro Harada	○	19/19 (100%)	○	9/9 (100%)	○	7/7 (100%)	○	23/23 (100%)
Audit and Supervisory Board Member	Shinichi Kitagawa	□	19/19 (100%)					△	
Audit and Supervisory Board Member	Katsuhiro Okamoto	□	19/19 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Mitsuhiro Hamamoto	□	4/4 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki	□	19/19 (100%)	△		△		△	
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	□	19/19 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Harunobu Shiho	□	15/15 (100%)					△	
Corporate Officer	Katsuya Hirooka	◇						○◇	23/23 (100%)
Corporate Officer	Atsuko Shinozuka	△						○	22/23 (96%)
Corporate Officer	Takuya Yoshidomi	△						○	23/23 (100%)
Corporate Officer	Manabu Tochio								
Corporate Officer	Hirofumi Inoue								
Corporate Officer	Shinsuke Fukazawa	△		◇		○◇	7/7 (100%)	●	
Corporate Officer	Yoshitaka Nakada								

(◎ chair or chairperson, ○ member, □ attendee, ◇ Secretarial Office, △ observer, ● non-standing member)

a. Activities of Board of Directors

Name	Matters to Be Discussed and Considered	Number of Meetings Held
Board of Directors	• In addition to the matters as prescribed by laws and regulations and the Articles of Incorporation, all the major management issues and important matters related to our business, such as the medium- and long-term management strategies, the medium-term business strategy, and the allocation of management resources, are discussed. • The following matters were mainly discussed and considered during the current fiscal year ended March 31, 2026. i) Corporate Governance Regarding the appointment of a new External Audit and Supervisory Board Member (Independent) to prepare for the changes in the audit system by Audit and Supervisory Board Members, upon the consent of the Audit and Supervisory Board, we elected a candidate who is a legal specialist and has ample experience and track record as a lawyer, deep insight into corporate governance, risk management, compliance, etc., and experience as an external officer at other companies in the previous fiscal year and proposed the 77th Ordinary General Meeting of Shareholders (June 2025). In preparation for the changes in the management structure, the Nomination of Directors Advisory Committee submitted a recommendation of a candidate for Executive Director, who has knowledge and experience in corporate management, financial and accounting, sustainability and D&I, and global operations. The recommendation was approved and then included in the agenda of the 78th Ordinary General Meeting of Shareholders held in June 2026. To ensure the independence of independent officers (External Directors and External Audit and Supervisory Board Members) and guarantee reliability, fairness, and objectivity, we consulted the Nomination of Directors Advisory Committee and received a report on a partial amendment to the independence criteria, and resolved the revision of the criteria. We received a report from the Independent External Auditors & Directors Meeting on the analysis and evaluation results of the effectiveness of the Board of Directors using a third-party evaluation design, and confirmed that sufficient effectiveness is ensured. In addition, we discussed the challenges and improvement measures related to the Board of Directors, including the swift response to be taken when risks or opportunities emerged due to the changes in the business environment. ii) Sustainability We received periodic reports from the Sustainability Committee on business risks and opportunities related to climate change (response to TCFD), issues related to sustainability such as responsible procurement (CSR procurement) regarding respect for human rights and DE&I, due diligence on human rights in supply chains, ensuring diversity including promotion of activities by women, and maximization of human assets, as well as a plan for initiatives and its progress by our group. Based on these reports, we discussed important management issues such as waste reduction of products and unused materials, the initiative and progress toward eliminating greenhouse gas emissions, treatment of foreign technical intern trainees and the language used for providing information, the need for onsite audits prioritizing suppliers who accept said trainees, and education and awareness-raising regarding the risks of human rights violations for internal and external stakeholders. Other than these efforts, based on the results of the employee engagement survey, we discuss and monitor the achievement of business growth linked to human capital, as well as our response to management issues, such as promoting the hiring and advancement of mid-level employees. We shall continue allocating our management resources and monitoring the execution of strategies to achieve both the solution of social issues through our business and sustainable growth. iii) Corporate Ethics and Risk Management The Corporate Ethics and Risk Management Committee conducts a scoring evaluation of potential risks related to the business environment and/or business strategies, and operational risks from the perspective of their likelihood of occurrence and impact of such risks. The risk items that are	19

evaluated as having a significant potential impact on the management of our group are annually reviewed based on the recommendations of the Corporate Ethics and Risk Management Committee and approved as the Group's Material Risk at the Board of Directors.

Subsequently, we conducted supervision and received progress reports on a regular basis to ensure that the initiatives to prevent, transfer, mitigate or accept risks are being appropriately implemented, and monitored measures related to incidents to prevent recurrence.

Based on the results of the cyber-attack security assessment conducted in accordance with global standard frameworks across domestic and overseas subsidiaries in the previous fiscal year (ended March 31, 2025), we discussed the security management system in terms of technology, human resources and organization, as well as the roadmap for executing the required security measures. In addition, we resolved the revision of the Group's Basic Policies on Information Security, Regulations on Information Security and Rules on Protection of Personal Information, which serve as the premise.

iv) Medium- to Long-Term Business Strategies

With regard to the implementation of two challenges: "Allocation of more time to the consideration of important business matters, such as medium- to long-term strategies, and at the same time, utilization of knowledge of External Directors (Independent) and promotion of more active discussion at the meetings of the Board of Directors" and "Arrangement of the system to make sure to report the status and results of the matters resolved and executed, such as the progress of the medium-term management plan, and work on the amendment to the plan in a timely and adequate way if required," which are identified for the improvement of the effectiveness of the Board of Directors, we had a number of active and in-depth discussions on major management issues focusing on each item at a time, to plan a highly feasible scenario with the next medium-term management plan having active opinions of the Board of Directors members and attendants with diverse knowledge and experience from their viewpoint, as mentioned in sections on the evaluation on effectiveness of Board of Directors and the status of improvement activities.

As a result of these discussions, we made several decisions, including investment in marketing in Japan and overseas to develop markets and improve brand value, allocation of management resources to expand business using new production methods and technologies, acquisition of a sales company that concentrates on the planning, development and EC for ladies' innerwear in the U.S. and growth investment in the overseas market with strategic focus.

We will continue to aim to maximize our corporate value, and confirm the effectiveness of our strategies and status of progress of our plans. We will also deepen our discussions on fundamental initiatives to achieve sustainable growth.

v) Capital Efficiency

Following the policy of the medium-term management plan (revised), we reviewed the Company's portfolio to appropriately reallocate management resources, and continued discussing the policy of handling non-profitable businesses of the Group and confirmed and evaluated progress on KPIs. Also, as part of asset reduction (disposal of assets that does not contribute to corporate value improvement), we resolved the transfer of real estate (Company's buildings/factories/corporate housing/land) in Kyoto, Osaka, Kanagawa, Niigata and other districts and proceeded with the sale.

Other than these efforts, we engage in stepwise introduction of ROIC-oriented management. The Company proceeded with the business planning and evaluation scheme design using ROIC as a performance index. Aiming to achieve disciplined business portfolio management, we began the review of business segments linked to supply chain, performance management by brands/channels and BS planning including inventory efficiency. We are also working on our domestic and overseas group companies and major business units to raise awareness of capital costs and continuously improve the return on capital.

vi) Other

In addition to the above, monthly reports are made on the status of execution from Corporate Officers and officers of subsidiaries by rotation and on deliberations in the Group Management Meeting.

b. Activities of Nomination of Directors Advisory Committee

Name	Matters to Be Discussed and Considered	Number of Meetings Held
Nomination of Directors Advisory Committee	• The Committee partially revised the committee rules aiming at improving its maneuverability and effectiveness and reported to the Board of Directors in April and December. • In the light of the policy of "development of a successor (who can take an office of Executive Director in the future) nurturing plan including the selection and nurturing process of candidates and the implementation of monitoring," which is one of the challenges for improving the effectiveness (roles) of the Board of Directors, the Committee continues discussing widely how candidates for top management successors should be selected. • Based on the succession plan, we started building a pool of human resources (successors) that can serve as a list of Corporate Officer candidates. As part of the effort, we confirmed the requirements and competencies of Corporate Officers and General Managers who can be candidates to succeed the Executive Director. Afterward, we elected the candidates for Corporate Officer for the next fiscal year (ending March 31, 2027) and reported to the Board of Directors in December. • In light of the consolidated financial results for the current fiscal year (ended March 31, 2026) and the previous fiscal year, requirements of the Criteria for Appointment or Removal of Officers, and ensuring an appropriate skill balance of the Board of Directors, we discussed and evaluated the appropriateness of business execution and the reappointment of Directors independent of executive duties. • In preparation for the changes in the management structure, for the appointment of a new Executive Director, we evaluated the skill balance of the Board of Directors, selected one candidate with knowledge and experience in corporate management, financial and accounting, sustainability and D&I and global operations and reported to the Board of Directors in February 2026. (Submitted to the 78th Ordinary General Meeting of Shareholders held on June 2026) • To ensure the independence of independent officers (External Directors and External Audit and Supervisory Board Members) and guarantee reliability, fairness, and objectivity, we made a partial amendment to the independence criteria and reported to the Board of Directors in February 2026. • In selecting candidates for Audit and Supervisory Board Members and submitting them to the Ordinary General Meeting of Shareholders, we reviewed some selection criteria to strengthen the supervision system. (A report was made at a meeting of the Board of Directors held in April 2026, the following fiscal year.)	9

c. Activities of Remuneration of Directors Advisory Committee

Name	Matters to Be Discussed and Considered	Number of Meetings Held
Remuneration of Directors Advisory Committee	• The Committee partially revised the committee rules aiming at improving its maneuverability and effectiveness and reported to the Board of Directors in April and December. • The Committee submitted its opinion of not paying performance-based bonus based on the business performance of the previous fiscal year (ended March 31, 2025) at a meeting of the Board of Directors held in May 2025. • We exchanged opinions multiple times and had ongoing discussions about current issues and improvements to the remuneration system for Directors, based on the remuneration survey results from an external organization, comparing the remuneration levels and systems against those of comparable companies. Then, we decided not to change the remuneration system and structure. However, for the payment of performance-based bonuses, we reviewed the upper limit of incentives when performance exceeds a target to achieve the larger increase in the amount, and compiled a draft report. (A report will be made at a meeting of the Board of Directors to be held in May 2026.) • We confirmed the payment policy (no payment) on the performance-based bonus payable based on the projected consolidated performance and performance-based remuneration of shares with restriction on transfer (paid at a later time) for the current fiscal year (ended March 31, 2026). • We discussed setting targets that serve as the basis for the payment of performance-based remuneration of shares with restriction on transfer (paid at a later time) for the following fiscal year (ending March 31, 2027). Performance evaluation indicators, which are consolidated ROIC and consolidated business profit, remain unchanged. (A report was made at a meeting of the Board of Directors held in May 2026, the following fiscal year.)	7

d. Activities of the Committee for Group Strategy

Name	Matters to Be Discussed and Considered	Number of Meetings Held
Committee for Group Strategy	• The following matters were mainly discussed during the current fiscal year ended March 31, 2026 and reported to the Board of Directors. i) Medium- and long-term Group management strategies • To develop the next medium-term management plan that starts in the next fiscal year (ending March 31, 2027), we reviewed achievements and management issues during the current medium-term management plan period and, almost every month, discussed in depth the business domains and models to be reformed. • In addition, we had multi-faceted discussions several times on management plans submitted by major domestic and overseas group companies, considering the viewpoint of the external advisor as required. After considering feasibility, we reported to the Board of Directors a summary of uncertainties requiring deep dives, the need to reconsider scenarios, etc. ii) Arrangement of the Foundation for Group Management • We received regular reports on the effective use of business-use fixed assets (real estate holdings), supervised the progress of asset reduction, conducted an objective assessment of the validity of the approach of property consolidation, reorganization and transfer prices and submitted a report. • For the introduction and entrenchment of ROIC management, it is essential to arrange business environment and foster corporate culture in order to realize fair evaluation design. Therefore, we made recommendations to the Board of Directors to work on it at the earliest. iii) Growth Strategy for Overseas Business • We confirmed the changes in the business environment in Europe, the U.S., China, as well as strategically developing markets, and discussed how appropriate risk-taking should be, the	23

allocation of required management resources, and the setting of KPIs as criteria to assess the success or failure of the business.

- For the acquisition of American companies, we had multi-faceted discussions on what we would achieve with the acquisition, our competitiveness after the acquisition, the validity of the valuation, etc., and reported to the Board of Directors based on the verification of necessity and rationality.

iv) Reorganization of Portfolio of Domestic Business and Improvement of Profitability

- As for medium- to long-term business strategies that utilize body data that would lead to market innovation and business expansion with production technologies with high novelty, we discussed the feasibility of the medium- to long-term demand expansion and the effect on profitability and reported the need for appropriate allocation of management resources.
- On multiple occasions, we discussed the growth domains of domestic business in depth from the perspectives of brands, products and distribution channels. We will continue discussions to achieve the redefinition of business domains, including the development of new business, the increase in gross profit margins and the optimization of operating expenses.

v) Business Structure Reform

- Regarding the advancement of demand-linked production, which we have been working on as the core of the SCM reform, we recommended implementing a rational review of the target product numbers and building an appropriate internal collaboration system to establish an in-store inventory management procedure with higher turnover ratio and a product development method that shortens delivery time.
- We also proposed improving the inventory turnover ratio and sharing issues that emerged from the reform activities when we regularly confirm KPI progress. We will continue supervising to ensure that proper adjustment is made with an eye on business environment changes.

(2) Officers

(i) List of Officers

a. The status of the Company's officers as of June 26, 2026 (the filing date of the Annual Securities Report.) is as follows:

Male: 10 persons, Female: 3 persons (which accounted for 23.1% of the total number of Directors and Audit and Supervisory Board Members)

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Representative Director, President and CEO (Group CEO)	Masaaki Yajima	Sep. 30, 1960	Mar. 1984	Joined the Company	Note 1	247
			Jun. 2004	Director and President of Wacoal International Hong Kong Co., Ltd.		
			Apr. 2007	Head of Sales Group, International Headquarters of Wacoal Corp.		
			Sep. 2008	Director and Deputy General Manager of Wacoal China Co., Ltd.		
			Apr. 2009	Director and General Manager of Wacoal China Co., Ltd.		
			Apr. 2011	Corporate Officer of Wacoal Corp.		
			Apr. 2015	Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp.		
			Apr. 2016	Director, Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp.		
			Apr. 2018	Director, Executive Corporate Officer and Head of Wholesale Div., Wacoal Corp.		
			Apr. 2021	Director, Executive Corporate Officer and Head of Global Operations Div., Wacoal Corp.		
			Apr. 2022	Director and Executive Corporate Officer, Wacoal Corp.		
			Apr. 2022	Head of Global Operations Div.		
			Jun. 2022	Director, Executive Corporate Officer and Head of Global Operations Div.		
			Apr. 2023	Director, Executive Corporate Officer		
			May 2023	Director, Executive Corporate Officer and Head of Global Operations Div.		
			Jun. 2023	Representative Director, President and CEO (Group CEO), and Head of Global Operations Div.		
			Apr. 2024	Representative Director, President and CEO (Group CEO) (present position)		
Director, Corporate Officer	Keisuke Kawanishi	Oct. 7, 1971	Apr. 1994	Joined the Company	Note 1	146
			May 2015	Director and Vice Chairman of Wacoal America, Inc. Director and President of Wacoal International Corp.		
			Apr. 2020	Corporate Officer of Wacoal Corp.		
			May 2020	Director and Chairman of Wacoal America, Inc. Director and President of Wacoal International Corp.		
			Apr. 2022	Director, Corporate Officer, Head of Marketing Div. of Wacoal Corp.		
			Apr. 2023	Representative Director, President and CEO of Wacoal Corp.		
			Jun. 2024	Director and Corporate Officer in charge of Japan Domestic Operations (present position)		
			Oct. 2024	Representative Director, President and CEO, and Head of Product Development and Merchandising Div. of Wacoal Corp.		
			Apr. 2025	Representative Director, President and CEO of Wacoal Corp. (present position)		

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Director	Akira Miyagi	Oct. 18, 1960	Mar. 1984	Joined the Company	Note 1	215
			Oct. 2007	Manager of Business Management and Administration of Wacoal Brand Operation Div. of Wacoal Corp.		
			Apr. 2011	Director and Deputy General Manager of Wacoal China Co., Ltd.		
			Apr. 2014	General Manager of Corporate Planning Dept.		
			Apr. 2017	Corporate Officer of Wacoal Corp.		
			Jun. 2018	Director, Head of Corporate Planning Dept.		
			Jun. 2019	Executive Director, Head of Corporate Planning Dept.		
			Apr. 2020	Director and Executive Corporate Officer in charge of Group Finance		
			Jun. 2021	Director, Executive Corporate Officer and CFO		
			Jun. 2022	Director, Vice President, Executive Officer and CFO		
			Dec. 2022	Representative Director, Vice President, Executive Officer and CFO		
			Apr. 2026	Director (present position)		
Director	Tsunehiko Iwai	May 28, 1953	Apr. 1979	Joined Shiseido Co., Ltd.	Note 1	6
			Apr. 2002	General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.		
			Apr. 2008	Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.		
			Jun. 2014	Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.		
			Jan. 2016	Representative Director, Executive Vice President, Chief Technology & Innovation Officer, Shiseido Co., Ltd.		
			Mar. 2018	Senior Advisor, Shiseido Co., Ltd.		
			Jun. 2018	Director of the Company (present position)		
Director	Chizuru Yamauchi	Feb. 25, 1957	Apr. 1975	Joined Nippon Life Insurance Company	Note 1	13
			Mar. 2009	Head of Kagayaki Promotion Office, Nippon Life Insurance Company		
			Mar. 2014	General Manager, Service Planning Dept., Nippon Life Insurance Company		
			Mar. 2015	Executive Officer, General Manager, CSR Promotion Dept., Nippon Life Insurance Company		
			Mar. 2019	Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Nippon Life Insurance Company		
			Jul. 2019	Director and Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Olympic & Paralympic Games Promotion Dept., Public Affairs Dept., CSR Promotion Dept., Health Management Dept., Nippon Life Insurance Company		
			May 2021	Chair, Diversity and Inclusion Sub Committee, Labor Policy Committee, Kansai Economic Federation		
			Mar. 2022	Director, Nippon Life Insurance Company		
			Jul. 2022	Advisor, Nippon Life Insurance Company		
			Jun. 2023	Director of the Company (present position)		

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Director	Hisae Sato	Oct. 16, 1961	Apr. 1985 Sep. 1997 Feb. 2004 Sep. 2005 Apr. 2008 Jun. 2016 Jun. 2017 Jun. 2023	Joined the Hokkaido Takushoku Bank, Limited Joined Watson Wyatt K.K. (current Towers Watson Investment Services K.K.) Joined AIG Global Investment Corp., Japan (current PineBridge Investments Japan Co., Ltd.) as Deputy General Manager of Institutional Business Development Division Joined Nissan Motor Co., Ltd. as Shukan, Chief Investment Officer, Treasury Department Member of the Investment Committee, the Government Pension Investment Fund of Japan Councilor, International Christian University (present position) Trustee, International Christian University Director of the Company (present position)	Note 1	2
Director	Koji Nitto	Feb. 1, 1961	Apr. 1983 Jun. 2011 Apr. 2013 Apr. 2014 Jun. 2014 Apr. 2017 Apr. 2023 Jun. 2023	Joined OMRON Corporation Executive Officer, Senior General Manager, Global Resource Management HQ, OMRON Corporation Managing Executive Officer, Senior General Manager, Global SCM and IT Innovation HQ, OMRON Corporation Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation Director, Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation Director, Senior Managing Executive Officer, Chief Financial Officer (CFO), Global Strategy HQ, OMRON Corporation Director, OMRON Corporation Director of the Company (present position)	Note 1	19
Director	Tetsuro Harada	Sep. 22, 1965	Apr. 1981 Apr. 1990 May 1996 Oct. 2000 Jan. 2003 Jun. 2006 Jun. 2018 Jun. 2020 Jun. 2023 Jun. 2024 Jun. 2024	Joined Japan Maritime Self-Defense Force Joined Nippon Life Insurance Company Completed master's degree University of California, Berkeley (MBA) Joined Dream Incubator Inc. Project Manager, Dream Incubator Inc. Executive Officer, Dream Incubator Inc. (in charge of Corporate Division) Director, Dream Incubator Inc. (in charge of Corporate Division and ipet Insurance Co., Ltd.) Representative Director, President and CEO, Dream Incubator Inc. Director, Chairman of the Board, Dream Incubator Inc. Director, Chairman of the Board and Audit & Supervisory Committee Member, Dream Incubator Inc. Director of the Company (present position)	Note 1	1
Audit and Supervisory Board Member (Full Time)	Shinichi Kitagawa	Dec. 29, 1962	Mar. 1985 Apr. 2008 Apr. 2009 Apr. 2013 Apr. 2018 Jun. 2020 Jun. 2021	Joined the Company Director and General Manager of Accounting and Administration Div. of Studio Five Corp. Director and General Manager of Business Control Div. of Studio Five Corp. IR/Public Relations Officer General Manager of Accounting Dept. Audit and Supervisory Board Member (present position) Auditor of Wacoal Corp. (present position)	Note 3	18

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Audit and Supervisory Board Member (Full Time)	Katsuhiro Okamoto	Oct. 20, 1963	Mar. 1986	Joined the Company	Note 4	8
			Apr. 2010	General Manager of Materials Control, Technology & Manufacturing Division of Wacoal Corp.		
			May 2012	Representative Director and President of Hokuriku Wacoal Sewing Corp.		
			Apr. 2014	Representative Director and President of Kyushu Wacoal Manufacturing Corp. (current "Wacoal Manufacturing Japan Corp.")		
			Apr. 2016	General Manager of Innerwear Merchandising Supervisory Division, Wacoal-Brand Operations of Wacoal Corp.		
			Apr. 2018	Corporate Officer, General Manager of Wacoal-Brand Innerwear Products Supervisory Division, Wholesale Division of Wacoal Corp.		
			Jun. 2021	Auditor of Wacoal Corp. (present position)		
			Jun. 2021	Audit and Supervisory Board Member of the Company (present position)		
Audit and Supervisory Board Member	Hitoshi Suzuki	Jan. 8, 1954	Apr. 1977	Joined The Mitsubishi Bank, Ltd. (current "MUFG Bank, Ltd.")	Note 5	–
			May 2002	General Manager, Treasury Planning Office, The Bank of Tokyo-Mitsubishi, Ltd. (BTM) (current "MUFG Bank, Ltd.")		
			Jun. 2005	Executive Officer and General Manager, Treasury Planning Office and Treasury IT Planning Office, BTM		
			Jun. 2008	Managing Director, Chief Executive, Global Markets Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (current "MUFG Bank, Ltd.")		
			May 2011	Senior Managing Director, Chief Executive, Global Markets Unit, BTMU		
			Jun. 2012	Deputy President, BTMU		
			Jun. 2014	Corporate Auditor, BTMU		
			Jun. 2016	Director, Audit and Supervisory Committee Member, BTMU		
			Jun. 2017	Advisor, BTMU		
			Jul. 2017	Member of the Policy Board, Bank of Japan		
			Jun. 2023	Audit and Supervisory Board Member of the Company (present position)		
Audit and Supervisory Board Member	Motoko Tanaka	Dec. 13, 1959	Oct. 1989	Joined Tohmatsu Awoki & Sanwa (current "Deloitte Touche Tohmatsu LLC")	Note 5	3
			Mar. 1993	Registered as Certified Public Accountant		
			Oct. 1995	Deloitte & Touche LLP, New York		
			Jul. 2003	Partner of Deloitte Touch Tohmatsu LLC		
			Jul. 2020	Managing Partner of Tanaka CPA Office (present position)		
			Jun. 2023	Audit and Supervisory Board Member of the Company (present position)		

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Audit and Supervisory Board Member	Harunobu Shiho	Oct. 17, 1976	Oct. 2003	Registered as an attorney Joined Nagashima Ohno & Tsunematsu	Note 4	1
			Dec. 2005	Joined Miyake Imai Ikeda Law Office		
			Dec. 2006	Auditor of Euglena Co., Ltd.		
			Jan. 2011	Partner at Miyake Imai Ikeda Law Office (present position)		
			Apr. 2016	Deputy Secretary-General of the Bankruptcy Law Division of the Tokyo Bar Association		
			Jan. 2020	Committee member of the “Transaction Law Study Group” of the Japan Institute of Business Law		
			Apr. 2020	Secretary of the Bankruptcy Law Review Committee of the Japan Federation of Bar Associations Deputy Secretary-General of the Bankruptcy Law Division of the Tokyo Bar Association		
			Nov. 2020	Member of the Financial Services Agency’s “Study Group on the Ideal State of Loans and Reconstruction Practices to Support Business Viability”		
			Nov. 2022	Committee member of the Financial Services Agency’s Financial System Council “Working Group on the Framework for Supporting Lending Practices Focused on Business Viability”		
			Apr. 2024	Secretary General of the Bankruptcy Law Division of the Tokyo Bar Association		
			Jun. 2025	Audit and Supervisory Board Member of the Company (present position)		
Total						679

(Notes) 1. The term of office of a Director is one year from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2025.
2. Directors Mr. Tsunehiko Iwai, Ms. Chizuru Yamauchi, Ms. Hisae Sato, Mr. Koji Nitto and Mr. Tetsuro Harada are External Directors (Independent).
3. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2024.
4. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2025.
5. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 28, 2023.
6. Audit and Supervisory Board Members Mr. Hitoshi Suzuki and Ms. Motoko Tanaka, and Mr. Harunobu Shiho are External Audit and Supervisory Board Members (Independent).
7. We have adopted the corporate officer system in order to clarify executive responsibility and accelerate the speed of execution of duties.
The Corporate Officers who do not concurrently serve as Directors are as follows:

	Title	Name
Corporate Officer	CFO	Katsuya Hirooka
Corporate Officer	In charge of Group Digital Transformation (DX) Marketing	Atsuko Shinozuka
Corporate Officer	General Manager of Corporate Planning Dept.	Tetsu Ogura
Corporate Officer	Head of Americas and Europe	Tsutomu Fujimura
Corporate Officer	In charge of Group Personnel	Shinsuke Fukazawa
Corporate Officer	In charge of Group Technology and Manufacturing	Yoshitaka Nakada

b. As an agenda item (matter for resolution) for the Ordinary General Meeting of Shareholders to be held on June 29, 2026, we proposed "To Elect Eight (8) Directors." If this is approved as proposed, the status of our officers will be as follows. The description includes the content of the resolution (title, etc.) of the Board of Directors to be held immediately after the Ordinary General Meeting of Shareholders.
Male: 10 persons, Female: 3 persons (which accounted for 23.1% of the total number of Directors and Audit and Supervisory Board Members)

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Representative Director, President and CEO (Group CEO)	Masaaki Yajima	Sep. 30, 1960	Mar. 1984 Jun. 2004 Apr. 2007 Sep. 2008 Apr. 2009 Apr. 2011 Apr. 2015 Apr. 2016 Apr. 2018 Apr. 2021 Apr. 2022 Apr. 2022 Jun. 2022 Apr. 2023 May 2023 Jun. 2023 Apr. 2024	Joined the Company Director and President of Wacoal International Hong Kong Co., Ltd. Head of Sales Group, International Headquarters of Wacoal Corp. Director and Deputy General Manager of Wacoal China Co., Ltd. Director and General Manager of Wacoal China Co., Ltd. Corporate Officer of Wacoal Corp. Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp. Director, Corporate Officer and Head of Technology and Manufacturing Div., Wacoal Corp. Director, Executive Corporate Officer and Head of Wholesale Div., Wacoal Corp. Director, Executive Corporate Officer and Head of Global Operations Div., Wacoal Corp. Director and Executive Corporate Officer, Wacoal Corp. Head of Global Operations Div. Director, Executive Corporate Officer and Head of Global Operations Div. Director, Executive Corporate Officer Director, Executive Corporate Officer and Head of Global Operations Div. Representative Director, President and CEO (Group CEO), and Head of Global Operations Div. Representative Director, President and CEO (Group CEO) (present position)	Note 1	247
Director, Corporate Officer	Keisuke Kawanishi	Oct. 7, 1971	Apr. 1994 May 2015 Apr. 2020 May 2020 Apr. 2022 Apr. 2023 Jun. 2024 Oct. 2024 Apr. 2025	Joined the Company Director and Vice Chairman of Wacoal America, Inc. Director and President of Wacoal International Corp. Corporate Officer of Wacoal Corp. Director and Chairman of Wacoal America, Inc. Director and President of Wacoal International Corp. Director, Corporate Officer, Head of Marketing Div. of Wacoal Corp. Representative Director, President and CEO of Wacoal Corp. Director and Corporate Officer in charge of Japan Domestic Operations (present position) Representative Director, President and CEO, and Head of Product Development and Merchandising Div. of Wacoal Corp. Representative Director, President and CEO of Wacoal Corp. (present position)	Note 1	146

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Director Corporate Officer	Katsuya Hirooka	Mar. 28, 1969	Apr. 1991	Joined the Company	Note 1	49
			Apr. 2007	Director of Wacoal America, Inc.		
			Jul. 2012	Director of Eveden Group Limited (current Wacoal Europe Ltd.)		
			Apr. 2015	Manager of Business Management and Administration, International Headquarters of Wacoal Corp.		
			Apr. 2020	General Manager of Accounting Dept.		
			Apr. 2021	Corporate Officer, General Manager of Corporate Planning Dept.		
			Apr. 2023	Director, Corporate Officer in charge of Administrative Control of Wacoal Corp. (present position)		
			Apr. 2026	Corporate Officer and CFO		
			Jun. 2026	Director, Corporate Officer and CFO (present position)		
Director	Tsunehiko Iwai	May 28, 1953	Apr. 1979	Joined Shiseido Co., Ltd.	Note 1	6
			Apr. 2002	General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd.		
			Apr. 2008	Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd.		
			Jun. 2014	Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd.		
			Jan. 2016	Representative Director, Executive Vice President, Chief Technology & Innovation Officer, Shiseido Co., Ltd.		
			Mar. 2018	Senior Advisor, Shiseido Co., Ltd.		
			Jun. 2018	Director of the Company (present position)		
Director	Chizuru Yamauchi	Feb. 25, 1957	Apr. 1975	Joined Nippon Life Insurance Company	Note 1	13
			Mar. 2009	Head of Kagayaki Promotion Office, Nippon Life Insurance Company		
			Mar. 2014	General Manager, Service Planning Dept., Nippon Life Insurance Company		
			Mar. 2015	Executive Officer, General Manager, CSR Promotion Dept., Nippon Life Insurance Company		
			Mar. 2019	Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Nippon Life Insurance Company		
			Jul. 2019	Director and Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Olympic & Paralympic Games Promotion Dept., Public Affairs Dept., CSR Promotion Dept., Health Management Dept., Nippon Life Insurance Company		
			May 2021	Chair, Diversity and Inclusion Sub Committee, Labor Policy Committee, Kansai Economic Federation		
			Mar. 2022	Director, Nippon Life Insurance Company		
			Jul. 2022	Advisor, Nippon Life Insurance Company		
			Jun. 2023	Director of the Company (present position)		

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Director	Hisae Sato	Oct. 16, 1961	Apr. 1985	Joined the Hokkaido Takushoku Bank, Limited	Note 1	2
			Sep. 1997	Joined Watson Wyatt K.K. (current Towers Watson Investment Services K.K.)		
			Feb. 2004	Joined AIG Global Investment Corp., Japan (current PineBridge Investments Japan Co., Ltd.) as Deputy General Manager of Institutional Business Development Division		
			Sep. 2005	Joined Nissan Motor Co., Ltd. as Shukan, Chief Investment Officer, Treasury Department		
			Apr. 2008	Member of the Investment Committee, the Government Pension Investment Fund of Japan		
			Jun. 2016	Councilor, International Christian University (present position)		
			Jun. 2017	Trustee, International Christian University		
			Jun. 2023	Director of the Company (present position)		
Director	Koji Nitto	Feb. 1, 1961	Apr. 1983	Joined OMRON Corporation	Note 1	19
			Jun. 2011	Executive Officer, Senior General Manager, Global Resource Management HQ, OMRON Corporation		
			Apr. 2013	Managing Executive Officer, Senior General Manager, Global SCM and IT Innovation HQ, OMRON Corporation		
			Apr. 2014	Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation		
			Jun. 2014	Director, Senior Managing Executive Officer, Global Strategy HQ, OMRON Corporation		
			Apr. 2017	Director, Senior Managing Executive Officer, Chief Financial Officer (CFO), Global Strategy HQ, OMRON Corporation		
			Apr. 2023	Director, OMRON Corporation		
			Jun. 2023	Director of the Company (present position)		
Director	Tetsuro Harada	Sep. 22, 1965	Apr. 1981	Joined Japan Maritime Self-Defense Force	Note 1	1
			Apr. 1990	Joined Nippon Life Insurance Company		
			May 1996	Completed master’s degree University of California, Berkeley (MBA)		
			Oct. 2000	Joined Dream Incubator Inc.		
			Jan. 2003	Project Manager, Dream Incubator Inc.		
			Jun. 2006	Executive Officer, Dream Incubator Inc. (in charge of Corporate Division)		
			Jun. 2018	Director, Dream Incubator Inc. (in charge of Corporate Division and ipet Insurance Co., Ltd.)		
			Jun. 2020	Representative Director, President and CEO, Dream Incubator Inc.		
			Jun. 2023	Director, Chairman of the Board, Dream Incubator Inc.		
			Jun. 2024	Director, Chairman of the Board and Audit & Supervisory Committee Member, Dream Incubator Inc.		
			Jun. 2024	Director of the Company (present position)		
Audit and Supervisory Board Member (Full Time)	Shinichi Kitagawa	Dec. 29, 1962	Mar. 1985	Joined the Company	Note 3	18
			Apr. 2008	Director and General Manager of Accounting and Administration Div. of Studio Five Corp.		
			Apr. 2009	Director and General Manager of Business Control Div. of Studio Five Corp.		
			Apr. 2013	IR/Public Relations Officer		
			Apr. 2018	General Manager of Accounting Dept.		
			Jun. 2020	Audit and Supervisory Board Member (present position)		
			Jun. 2021	Auditor of Wacoal Corp. (present position)		

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Audit and Supervisory Board Member (Full Time)	Katsuhiro Okamoto	Oct. 20, 1963	Mar. 1986 Apr. 2010 May 2012 Apr. 2014 Apr. 2016 Apr. 2018 Jun. 2021 Jun. 2021	Joined the Company General Manager of Materials Control, Technology & Manufacturing Division of Wacoal Corp. Representative Director and President of Hokuriku Wacoal Sewing Corp. Representative Director and President of Kyushu Wacoal Manufacturing Corp. (current “Wacoal Manufacturing Japan Corp.”) General Manager of Innerwear Merchandising Supervisory Division, Wacoal-Brand Operations of Wacoal Corp. Corporate Officer, General Manager of Wacoal-Brand Innerwear Products Supervisory Division, Wholesale Division of Wacoal Corp. Auditor of Wacoal Corp. (present position) Audit and Supervisory Board Member of the Company (present position)	Note 4	8
Audit and Supervisory Board Member	Hitoshi Suzuki	Jan. 8, 1954	Apr. 1977 May 2002 Jun. 2005 Jun. 2008 May 2011 Jun. 2012 Jun. 2014 Jun. 2016 Jun. 2017 Jul. 2017 Jun. 2023	Joined The Mitsubishi Bank, Ltd. (current “MUFG Bank, Ltd.”) General Manager, Treasury Planning Office, The Bank of Tokyo-Mitsubishi, Ltd. (BTM) (current “MUFG Bank, Ltd.”) Executive Officer and General Manager, Treasury Planning Office and Treasury IT Planning Office, BTM Managing Director, Chief Executive, Global Markets Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (current “MUFG Bank, Ltd.”) Senior Managing Director, Chief Executive, Global Markets Unit, BTMU Deputy President, BTMU Corporate Auditor, BTMU Director, Audit and Supervisory Committee Member, BTMU Advisor, BTMU Member of the Policy Board, Bank of Japan Audit and Supervisory Board Member of the Company (present position)	Note 5	–
Audit and Supervisory Board Member	Motoko Tanaka	Dec. 13, 1959	Oct. 1989 Mar. 1993 Oct. 1995 Jul. 2003 Jul. 2020 Jun. 2023	Joined Tohmatsu Awoki & Sanwa (current “Deloitte Touche Tohmatsu LLC”) Registered as Certified Public Accountant Deloitte & Touche LLP, New York Partner of Deloitte Touch Tohmatsu LLC Managing Partner of Tanaka CPA Office (present position) Audit and Supervisory Board Member of the Company (present position)	Note 5	3

Title	Name	Date of Birth	Business Experience and Position(s) and Office(s)		Office Term	Number of Shares Held by Shareholder (Hundreds of shares)
Audit and Supervisory Board Member	Harunobu Shiho	Oct. 17, 1976	Oct. 2003 Dec. 2005 Dec. 2006 Jan. 2011 Apr. 2016 Jan. 2020 Apr. 2020 Nov. 2020 Nov. 2022 Apr. 2024 Jun. 2025	Registered as an attorney Joined Nagashima Ohno & Tsunematsu Joined Miyake Imai Ikeda Law Office Auditor of Euglena Co., Ltd. Partner at Miyake Imai Ikeda Law Office (present position) Deputy Secretary-General of the Bankruptcy Law Division of the Tokyo Bar Association Committee member of the "Transaction Law Study Group" of the Japan Institute of Business Law Secretary of the Bankruptcy Law Review Committee of the Japan Federation of Bar Associations Deputy Secretary-General of the Bankruptcy Law Division of the Tokyo Bar Association Member of the Financial Services Agency's "Study Group on the Ideal State of Loans and Reconstruction Practices to Support Business Viability" Committee member of the Financial Services Agency's Financial System Council "Working Group on the Framework for Supporting Lending Practices Focused on Business Viability" Secretary General of the Bankruptcy Law Division of the Tokyo Bar Association Audit and Supervisory Board Member of the Company (present position)	Note 4	1
Total						513

(Notes)

1. The term of office of a Director is one year from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 29, 2026.
2. Directors Mr. Tsunehiko Iwai, Ms. Chizuru Yamauchi, Ms. Hisae Sato, Mr. Koji Nitto and Mr. Tetsuro Harada are External Directors (Independent).
3. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2024.
4. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 25, 2025.
5. The term of office of an Audit and Supervisory Board Member is 4 years from the conclusion of the Ordinary General Meeting of Shareholders to be held on June 28, 2023.
6. Audit and Supervisory Board Members Mr. Hitoshi Suzuki and Ms. Motoko Tanaka, and Mr. Harunobu Shiho are External Audit and Supervisory Board Members (Independent).
7. We have adopted the corporate officer system in order to clarify executive responsibility and accelerate the speed of execution of duties.
   The Corporate Officers who do not concurrently serve as Directors are as follows:

	Title	Name
Corporate Officer	In charge of Group Digital Transformation (DX) Marketing	Atsuko Shinozuka
Corporate Officer	General Manager of Corporate Planning Dept.	Tetsu Ogura
Corporate Officer	Head of Americas and Europe	Tsutomu Fujimura
Corporate Officer	In charge of Group Personnel	Shinsuke Fukazawa
Corporate Officer	In charge of Group Technology and Manufacturing	Yoshitaka Nakada

(ii) Status of External Officers

We have 5 External Directors (Independent) and 3 External Audit and Supervisory Board Members (Independent).

We have elected those persons having extensive knowledge and experience as executives and persons having insight into investment and financial capital markets, as our External Directors (Independent), and each of such persons takes a role in improving the appropriateness of the decision-made by the Board of Directors by giving objective and independent advice based on their long careers in each business area and extensive professional knowledge. Also, we have elected those persons who have experience as business administrators in the financial industry, extensive knowledge from their experience as a member of the Policy Board of the Bank of Japan, independent certified public accountants having a considerable degree of finance and accounting knowledge, or independent attorneys at law as our External Audit and Supervisory Board Members (Independent). Each External Audit and Supervisory Board Member (Independent) conducts a strict audit on the legality of Directors' decision-making and execution of their duties from a professional perspective by maintaining high levels of independence.

The Company prescribes "Criteria for Appointment or Removal of Officers" and "Criteria for Appointment of External Officers (that ensures independence)" for appointing a Director and an Audit and Supervisory Board Member.

In making the appointment or removal of an External Director (Independent), the "Nomination of Directors Advisory Committee" submits a list of candidates based on the following criteria to the Board of Directors. Candidates for External Audit and Supervisory Board Member (Independent) are appointed at a Board of Directors' meeting after the consent of the Audit and Supervisory Board is obtained. The lists of candidates are then submitted to a general meeting of shareholders as an agenda item.

<Criteria for Election of Directors>

1. They must have a suitable character for being a director of the Company. For example, they must be suitable in terms of taking the initiative in embodying the Company philosophy and code of conduct, and in terms of maintaining the dignity required of a director.
2. They must possess physical and mental health and toughness required to fulfill the heavy responsibilities of a director.
3. They must possess sufficient experience and expertise to contribute to sustainable growth and the enhancement of corporate value over the medium to long term
4. They must possess at least one of the skills that have been set in the skills matrix.
5. When they are reelected, they must be deemed to have contributed to enhancing corporate value and business performance during their term of office.
6. They must not fall under any of the grounds for disqualification from being a director that are stipulated in each of the items in Article 331, Paragraph 1 of the Companies Act.
7. Internal directors must have at least one year of experience as an executive officer or higher at the Company or a major operating company.
8. Independent external directors must be concurrently serving as officers at no more than three listed companies other than the Company.
9. At least half of the directors must be external directors, and external directors must not violate the "Criteria for the Independence of External Officers" stipulated separately by the Company.
10. As a result of elections based on the criteria in 1 to 9, the composition of the directors must be balanced in terms of knowledge, experience, professional capability, gender, generation, internationality, etc., and diversity in decision-making and governance must be ensured.

<Criteria for Election of Audit and Supervisory Board Member>

1. They must have a suitable character for being an audit and supervisory board member of the Company. For example, they must be suitable in terms of taking the initiative in embodying the Company philosophy and code of conduct, and in terms of maintaining the dignity required of an audit and supervisory board member.
2. They must possess physical and mental health and toughness required to fulfill the heavy responsibilities of an audit and supervisory board member.
3. With their independence from all managerial and executive aspects ensured, they must be capable of monitoring management in a manner that is based on extensive experience, adopt a company-wide perspective, and take a fair, neutral, and objective standpoint.
4. They must not fall under any of the grounds for disqualification from being an audit and supervisory board member that are stipulated in each of the items in Article 331, Paragraph 1 of the Companies Act that apply mutatis mutandis in Article 335, Paragraph 1 of the same Act. They must not violate Article 335, Paragraph 2 of the Companies Act.
5. For one of the full-time audit and supervisory board members, the Company must strive to elect someone who possesses sufficient knowledge of finance and accounting.

6. External audit and supervisory board members must not violate the “Criteria for the Independence of External Officers” stipulated separately by the Company.
7. External audit and supervisory board members must be concurrently serving as officers at no more than three listed companies other than the Company.
8. As a result of elections based on the criteria in 1 to 7, the composition of the audit and supervisory board members must be balanced in term of knowledge, experience, and professional capability.

<Criteria for Removal of Directors and Audit and Supervisory Board Members>

1. Situations in which it becomes clear that the selection criteria above are not satisfied, even if only in part.
2. Situations involving the emergence of a material fact related to misconduct or violations of laws and regulations or the Articles of Incorporation of the Company.
3. In the event of an individual contravening either 1 or 2 above, the Board of Directors shall resolve to put a proposal for the dismissal of the Director or Audit and Supervisory Board Member before a general meeting of shareholders, based on the findings of the Nomination of Directors Advisory Committee in the case of a Director, and on the approval of the Audit and Supervisory Board in the case of an Audit and Supervisory Board Member.

The Company believes that External Directors (Independent) and External Audit and Supervisory Board Members (Independent) should have sufficient independence to avoid conflicts of interest with general shareholders of the Company. From this perspective, the Company appoints candidates for External Officers who do not fall under any of the following categories:

<Criteria for Election of External Officers (to ensure independence)>

1. Persons who have served as a business director*1 at any time for Wacoal or its consolidated subsidiaries (hereinafter collectively referred to as the Wacoal Group) in the past;
2. Major shareholders who hold 5% or more of Wacoal shares in terms of voting rights either in their own name or another person’s name. If the major shareholder in question is a corporation, association, or other such organization (hereinafter referred to as legal entities), business executives who belong to the relevant legal entity
3. Any of the following parties
    - Main business partners*2 of the Wacoal Group, or parties who count the Wacoal Group as a main business partner. If the party in question is a legal entity, business executives who belong to the relevant legal entity
    - Main lenders of the Wacoal Group*3. If the party in question is a legal entity, business executives who belong to the relevant lender
    - Business executives who belong to Wacoal’s lead securities brokerage
    - Business executives who belong to legal entities in which Wacoal holds 5% or more of the shares in terms of voting rights
4. Certified public accountants who work for auditing companies that audit the accounts of the Wacoal Group
5. Lawyers, accountants, tax accountants, patent attorneys, consultant, or other such specialists who receive large sums*4 or other assets from the Wacoal Group other than remuneration for directors (and other officers). If the party in question is a legal entity, specialists who belong to the relevant legal entity.
6. Persons who have received large donations*5 from the Wacoal Group. If the party in question is a legal entity, business executives who belong to the relevant legal entity
7. Executives of other companies that are mutually inaugurated by outside officers.
8. Spouses or close family members (up to two degrees of separation) of persons who fall under categories 1 to 7 above (only applicable to important persons*6)
9. Persons who fell under any of the categories 2 to 8 in the current fiscal year and two previous fiscal years
10. Any other persons deemed to be in exceptional circumstances that may result in a conflict of interest with Wacoal’s general shareholders

    It should be noted, however, that a candidate who falls under any of the items under 2 through 10 above, but who fulfills the requirements of an external officer under the Companies Act, may under exceptional circumstances become a candidate for an External Officer if the Company deems it appropriate for such candidate to be appointed as an External Officer and if the Company describes its reasons for making such judgement.

For our External Directors (Independent), the Management Planning Department hands out documents setting out the proposals presented to the Board of Directors' meetings in advance and gives prior explanations on important matters to them. For External Audit and Supervisory Board Members (Independent), internal Audit and Supervisory Board Members do so.

Five of our External Directors (Independent) and two of our External Audit and Supervisory Board Members (Independent) hold 4,100 and 400 shares of common stock of the Company, respectively. Other than the foregoing, there are no special interests between our External Directors (Independent) or External Audit and Supervisory Board Members (Independent) and the Company.

The reasons for the election of our External Directors (Independent) and External Audit and Supervisory Board Members (Independent) are as follows:

External Directors (Independent)

Name	Status of significant concurrent positions	Reasons for Election
Tsunehiko Iwai		Mr. Tsunehiko Iwai served as the Representative Director of a cosmetics manufacturer and distributer which operated globally. Mr. Tsunehiko Iwai's extensive knowledge and insight as a company manager, as well as his expertise on research & development, production and technology enable him to contribute to the management of the Company. He also provides valuable opinions and advice based on his knowledge on compliance and sustainable management and knowledge acquired at a company which "pursues beauty" like our Company. He also serves as the Chair of both the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory committee of the Company. We expect that he will provide advice that will contribute to enhance our corporate value and strengthen oversight over the Company. We therefore request that Mr. Tsunehiko Iwai continue to be elected as an External Director (Independent). Also, because he meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated him as an independent officer.
Chizuru Yamauchi		Ms. Chizuru Yamauchi has extensive knowledge and experience as an executive, as well as expertise in diversity and inclusion, which enable her to contribute to the management of the Company. We expect that she will continue to provide advice on human resources and organization strategies, such as women's empowerment, human resource development and organizational development, as well as advice that will contribute to enhancing corporate value, and supervise the management of the Company. We therefore request that Ms. Chizuru Yamauchi continue to be elected as an External Director (Independent). Also, because she meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated her as an independent officer. Ms. Chizuru Yamauchi held a position to execute business at Nippon Life Insurance Company, which is one of our major shareholders; however, it has been three years since she retired from the said position, and the shareholding ratio is 3.2% on a voting right basis. Therefore, there is no concern with respect to her independence. Ms. Chizuru Yamauchi retired from the Advisor of Nippon Life Insurance Company in July 2025.

Name	Status of significant concurrent positions	Reasons for Election
Hisae Sato	Councilor of International Christian University; Member of Fund Management Committee of Local Public Service Mutual Aid Associations; Member of Fund Management Committee of Pension Fund Association for Local Government Officials; Member of the JST* Investment Advisory Committee *JST: Japan Science and Technology Agency; Member of Pension Actuarial Subcommittee of the Social Security Council, Ministry of Health, Labor and Welfare; Member of Fund Management Subcommittee of the Social Security Council, Ministry of Health, Labor and Welfare;	Ms. Hisae Sato has experience as an asset management consultant at a foreign-affiliated organization/personnel/asset management consulting firm, and as a chief investment officer overseeing pension assets on a global level for a global automobile manufacturing and sales company, which enables her to contribute to the management of the Company. Ms. Hisae Sato also has a wealth of knowledge and insight, particularly in the areas of investment and financial capital markets, having served as a member of various investment-related committees for public pension funds and government agencies in Japan, and has provided valuable opinions and suggestions relating to those matters. We expect that she will continue to utilize her experience and expertise to improve the Company's corporate value, and contribute to strengthening the supervisory function of the Board of Directors. We therefore request that Ms. Hisae Sato continue to be elected as an External Director (Independent). Although Ms. Hisae Sato has never been involved in corporate management other than serving as an external officer, we believe that she will be able to appropriately fulfill her role as an External Director (Independent) for the above reasons and her experience of being involved in management of an incorporated educational institution as a trustee and a councilor. Also, because she meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated her as an independent officer.
Koji Nitto	Director of CiRA Foundation; Outside Director of GS Yuasa Corporation; Outside Director (Audit and Supervisory Committee Member), T&D Holdings, Inc.	Mr. Koji Nitto has extensive experience as a manager who can incorporate finance into management strategies, serving as a CFO and Senior Management Executive Officer of the Global Strategy Division of an electronic equipment manufacturing and sales company that operates control equipment and healthcare businesses globally, which enables him to contribute to the management of the Company. In particular, we believe his knowledge and insight based on his experience leading return on invested capital (ROIC) management at the above electronic equipment manufacturing and sales company with multiple business portfolios will contribute to improving our profitability and capital efficiency. We expect that he will continue to utilize his experience and expertise to improve the Company's corporate value and contribute to strengthening the supervisory function of the Board of Directors. We therefore request that Mr. Koji Nitto continue to be elected as an External Director (Independent). Also, because he meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated him as an independent officer.

Name	Status of significant concurrent positions	Reasons for Election
Tetsuro Harada	Outside Director, Audit and Supervisory Committee Member, SMS Co., Ltd.	Mr. Tetsuro Harada has extensive experience as a consultant in providing strategic consulting, management development, and venture investment development for major corporations in various industries, and various knowledge based on such experience, which enables him to contribute to the management of the Company. We believe his knowledge and various insight he has derived through implementing structural reforms in a short period of time as a top-level management executive will contribute valuably to the formulation and execution of our management strategy. We expect that he will continue to utilize his experience and expertise to improve our corporate value and contribute to strengthening the supervisory function of the Board of Directors. We therefore request that Mr. Tetsuro Harada continue to be elected as an External Director (Independent). Also, because he meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated him as an independent officer. The Group consigns consulting services to Dream Incubator Inc. ("DI"); however, Mr. Tetsuro Harada has not been a person who executes business at DI since June 2023 and the Group and the company made no transactions during the fiscal year. The average annal transaction value for the last three fiscal years is less than 0.05% of consolidated revenue of the Company, and less than 0.5% of consolidated revenue of the company. Accordingly, there is no concern with respect to his independence.

External Audit and Supervisory Board Members (Independent)

Name	Status of significant concurrent positions	Reasons for Election
Hitoshi Suzuki		After Mr. Hitoshi Suzuki fulfilled his duties at a major financial institution in overseas location and in the market sector, Mr. Hitoshi Suzuki gained experience in deliberating monetary policy as a member of the Policy Board, which is the highest decision-making body of the Bank of Japan, and has been utilizing such experience to perform the audit of the Company. In order to continue to utilize such experience for the audit system of the Company, we appoint him as External Audit and Supervisory Board Member (Independent). Also, because he meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated him as an independent officer. Until June 2014, Mr. Hitoshi Suzuki held a position to execute business at The Bank of Tokyo-Mitsubishi UFJ, Ltd. (current "MUFG Bank, Ltd."), a major shareholder and lender of the Company. It has been 12 years since he retired from the said bank as an executive and accordingly, there is no concern with respect to his independence. He already has retired as an advisor of MUFG Bank, Ltd.

Name	Status of significant concurrent positions	Reasons for Election
Motoko Tanaka	Managing Partner of Tanaka CPA Office; External Director and Audit & Supervisory Committee Member of TOWA Corporation	Ms. Motoko Tanaka has extensive experience working at a major audit firm as a certified public accountant and U.S. certified public accountant and has a high level of expertise in finance and accounting, and has been utilizing such experience to perform the audit of the Company. In order to continue to utilize such experience for the audit system of the Company, we appoint her as External Audit and Supervisory Board Member (Independent). Although Ms. Motoko Tanaka has never been directly involved in corporate management other than serving as an external officer, we believe that she will be able to appropriately fulfill her role as an External Audit and Supervisory Board Member (Independent) for the above reasons. Also, because she meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated her as an independent officer. Until June 2020, Ms. Motoko Tanaka held a position at Deloitte Touche Tohmatsu LLC, our Accounting Auditor, but Ms. Motoko Tanaka has never engaged in audits of the Company during the said period and there is no concern with respect to her independence.
Harunobu Shiho	Partner at Miyake Imai Ikeda Law Office Secretary of the Japanese Association for Business Recovery	Mr. Harunobu Shiho is a legal expert with ample experience and a proven track record as an attorney. In addition, he has a deep insight into corporate governance, risk management, compliance, etc., and experience as an external director at other companies. In order to utilize such knowledge and experience for the audit system of the Company, we appoint him as External Audit and Supervisory Board Member (Independent). Although Mr. Harunobu Shiho has never been involved in corporate management other than serving as an external officer, we believe that he will be able to appropriately fulfill his role as an External Director (Independent) for the above reasons. Also, because he meets the eligibility requirements which the Company prescribes under "Criteria for Appointment of External Officers (to ensure independence)" and because there are no concerns that any conflict of interest with general shareholders may arise, we have designated him as an independent officer. The Group has advisory contracts with other lawyers of Miyake Imai Ikeda Law Office at which Mr. Harunobu Shiho belongs as a partner; however, the annual amount of the fees (the average over the most recent three business years) is less than 2.5 million yen and there is no concern with respect to his independence.

(iii) Mutual Collaboration among Supervision or Audit by External Directors (Independent) or External Audit and Supervisory Board Members (Independent), Internal Audit, Audit by Audit and Supervisory Board Members, and Accounting Audit, as well as Relationship with Internal Control Division

External Directors (Independent) fulfill the supervisory function of management by providing recommendations at the Board of Directors meetings based on their extensive knowledge and experience after they receive necessary documents and are explained about agenda items which they receive prior to the Board of Directors meetings, as well as by serving as the chair or a member of the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee. They also contribute to the implementation and/or maintenance of the internal control system by receiving various reports from the Audit Office.

External Audit and Supervisory Board Members (Independent) perform the audit of the internal control system, including fair presentation of financial statements, by attending meetings of the Audit and Supervisory Board, and by establishing sufficient communication channels and coordinating with the Audit and Supervisory Board Members, who in turn report to the External Audit and Supervisory Board Members (Independent) regarding the status of audit on operations, details of important meetings and other matters as necessary, as well as by receiving various reports from the Accounting Auditor and internal audit department (Audit Office). In addition, based on matters discussed at the meetings of the Audit and Supervisory Board, External Audit and Supervisory Board Members (Independent) attend the Board of Directors meetings and other important meetings and enhance the effectiveness of audit by visiting and conducting interviews with our subsidiaries.

In addition to the above, External Directors (Independent) and External Audit and Supervisory Board Members (Independent) exchange opinions on issues raised in connection with the operation of the Board of Directors' meeting at the Independent External Auditors & Directors Meeting for the Effectiveness of Board of Directors, and they also seek to coordinate with each other through, for example, participation by External Directors as observers in interviews, conducted by Audit and Supervisory Board Members, of Executive Directors and others.

(3) Status of Audits

(i) Status of Audits by Audit and Supervisory Board Members

a. Organization and Members

Our Audit and Supervisory Board Members and audit system as of the filing date of the Annual Securities Report are as follows.

Our Audit and Supervisory Board are composed of 5 members, who are 2 Audit and Supervisory Board Members and 3 External Audit and Supervisory Board Members (Independent) with female members accounting for 20% of the Audit and Supervisory Board. Audit and Supervisory Board Member Mr. Shinichi Kitagawa serves as the chairperson of the Audit and Supervisory Board. Audit and Supervisory Board Member Mr. Shinichi Kitagawa, who has had experience as the General Manager of Accounting Department of the Company, and External Audit and Supervisory Board Member (Independent) Ms. Motoko Tanaka, who is a certified public accountant, have a considerable degree of finance and accounting knowledge. Audit and Supervisory Board Member Mr. Katsuhiro Okamoto provides audit and advice based on his extensive knowledge and experience at Wacoal Corp., our core operating entity, as well as our overseas subsidiaries. External Audit and Supervisory Board Member (Independent) Mr. Hitoshi Suzuki provides audit and advice based on extensive knowledge from his services in the financial industry and experience as a member of the Policy Board of the Bank of Japan. External Audit and Supervisory Board Member (Independent) Mr. Harunobu Shiho provides audit and advice based on his legal knowledge as a lawyer and experience in business law, which is his area of specialization. In addition, we have a full-time assistant for the Secretarial Office for the Audit and Supervisory Board to assist the duties of the Audit and Supervisory Board Members and our Audit Office assists the duties of the Audit and Supervisory Board Members upon their request from time to time.

b. Activities of Audit and Supervisory Board and Detailed Matters Discussed

The Audit and Supervisory Board generally meets once a month before the Board of Directors meeting and also from time to time as necessary. We held 18 meetings during the current fiscal year. The time required for reporting and deliberation per meeting was approximately 78 minutes. The attendance record of each Audit and Supervisory Board Member is as follows:

Title	Name	Meeting attendance (Attendance rate)
Audit and Supervisory Board Member	Shinichi Kitagawa	18/18 (100%)
Audit and Supervisory Board Member	Katsuhiro Okamoto	18/18 (100%)
External Audit and Supervisory Board Member (Independent)	Mitsuhiro Hamamoto	5/5 (100%)
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki	18/18 (100%)
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	18/18 (100%)
External Audit and Supervisory Board Member (Independent)	Harunobu Shiho	13/13 (100%)

The Audit and Supervisory Board prepares an audit report, appoints the chair of the Audit and Supervisory Board, determines appointment and removal of Audit and Supervisory Board Members, audit policies, procedures of investigation on the conduct of the business, the assets and properties and matters regarding the execution of duties of Audit and Supervisory Board Members in accordance with the Companies Act. The Audit and Supervisory Board also examines matters to be resolved by the Audit and Supervisory Board such as matters regarding appointment and removal or non-reappointment of the Accounting Auditor, consent on the amount of remuneration, etc. paid for the Accounting Auditor, consent on proposed appointment of Audit and Supervisory Board Members, examines the agenda of the Board of Directors in advance, exchanges information and opinions in relation to audit including the proceedings of the important meetings attended by the Audit and Supervisory Board Members, exchanges opinions with the Representative Director, and conducts interviews on the execution of duties with our executive Directors and the Directors of Wacoal Corp., our major subsidiary. The Audit and Supervisory Board monitors and inspects the status of the audit by the Accounting Auditor through results of review during the fiscal year, the status of its accounting audit at the end of the fiscal year, interviews on the system to ensure the appropriate execution of duties of the Accounting Auditor and the results of audits on the internal controls as appropriate as well as accompanying actual audits as required. In addition, we deliberated with the Accounting Auditor and requested explanations, as necessary, regarding the content of the Key Audit Matters (KAM) required to be included in the auditor's report for companies subject to audits under the Financial Instruments and Exchange Act.

The key matters reported by and discussed with the Accounting Auditor on the audit of the financial statements etc. for the current fiscal year were as follows:

Key Matters Reported and Discussed	Month											
	4	5	6	7	8	9	10	11	12	1	2	3
Explanation of audit plan (including fees)				◆	◆						◆	
Report on results of audit pursuant to Companies Act		◆										
Report on results of audit pursuant to Financial Instruments and Exchange Act and Internal Control Audit			◆									
Report on review during the fiscal year								◆				
Notification of matters regarding the execution of duties of the Accounting Auditor					◆							
Consideration regarding Key Audit Matters		◆	◆	◆							◆	
Sharing and review of status of accounting audit and accounting issues					◆			◆			◆	
Other information exchanges		◆ *1						◆ *1 *2				

*1: Prior approval for and progress report on provision of non-assurance services by the Accounting Auditor
*2: Discussion on fraud risks in an audit

c. Activities of Audit and Supervisory Board Members

The Audit and Supervisory Board Members attend meetings of the Board of Directors and other important meetings such as the Group Management Meeting, express their opinions as necessary and hear explanation on important operational matters from the Directors etc. in accordance with the audit standards prescribed by the Audit and Supervisory Board. The Audit and Supervisory Board Members also monitor and inspect the system to ensure appropriate business conduct to perform audits on legality and appropriateness of the execution of duties of the Directors. Audit and Supervisory Board Members make efforts to communicate with the Directors and employees, maintain an environment for information-gathering and auditing, conduct audits on the status of principal offices, including those overseas, and the assets and properties, receive monthly reports on topics related to internal audit from the Audit Office, in accordance with the audit policies and the assignment of work responsibilities prescribed by the Audit and Supervisory Board. Information obtained through these activities is shared by all Audit & Supervisory Board Members at regular Audit and Supervisory Board meetings. Audit and Supervisory Board Members also hold meetings of Group Audit and Supervisory Board annually to receive reports from auditors of the domestic subsidiaries, and visit the domestic subsidiaries to conduct audits together with External Audit and Supervisory Board Members to the extent possible, and strive to understand the management condition through interviews with the management. In addition, Standing Audit and Supervisory Board Members receive monthly reports regarding the management conditions of the major overseas subsidiaries from the Global Operations Div.

The following is a summary of priority audit items for the current fiscal year and the results of major audit activities corresponding to these priority audit items.

Priority Audit Items	Status of Major Audit Activities and Summary of Audit Results
Improvement of corporate governance by enhancing effectiveness of the Board of Directors	• All Audit and Supervisory Board Members attended the meetings of the Board of Directors based on the prior confirmation of the agenda items to be submitted • One of the External Audit and Supervisory Board Members (Independent) attended the meetings of the voluntary Advisory Committees (Nomination of Directors and Remuneration of Directors) as an observer on behalf of others, and provided feedback on the deliberative process to the Audit and Supervisory Board • All Audit and Supervisory Board Members reviewed the results of the "Evaluation on Effectiveness of Board of Directors" provided by the "Independent External Auditors & Directors Meeting for the Effectiveness of Board of Directors" and monitored the awareness of the issue and the improvement activities for improvement by the Secretarial Office for the Board of Directors • Audit and Supervisory Board Members determined that there were incremental improvements made to various issues related to the operation of the Board of Directors which had been extracted in the valuation process for the effectiveness of the Board of Directors. They also identified issues for improvement, such as the reporting of duty execution status and the optimization of the Board of Directors' constitution.
Development and operation of internal control system of the business group	• All Audit and Supervisory Board Members received reports from the "Corporate Ethics and Risk Management Committee," and confirmed that changes in business environment during the current fiscal year were reasonably reflected in the reassessment of "business risks" presented to the said Committee • Audit and Supervisory Board Members received reports, as appropriate, from the Audit Office with respect to the matters discovered through internal audit, etc., and provided feedback on the contents of the reports to the Audit and Supervisory Board • Full-time Audit and Supervisory Board Members monitored, through methods such as inspection, observation, interview, training and other activities that the Company conducted based on its identified operational, compliance and conduct risks. • Regarding the newly actualized operational risks (deficiencies in IT operations), the relevant departments were interviewed, and the details were provided to the Audit and Supervisory Board as feedback. • Audit and Supervisory Board Members recognized that continuous improvement for the development of the internal control system, such as improving the control environment and reviewing operational procedures, are required

Priority Audit Items	Status of Major Audit Activities and Summary of Audit Results
Management status of the Group in accordance with the revised medium-term management plan	• All Audit and Supervisory Board Members attended the Committee for Group Strategy and understood the group's commonly shared important issues and the policy on the approach • All Audit and Supervisory Board Members conducted interviews with the Executive Directors and the Directors, etc. of Wacoal Corp., our major subsidiary, with respect to the execution of duties and the achievement of KPIs. Full-time Audit & Supervisory Board Members interviewed Corporate Officers and major senior executives of both companies and shared the results at the Audit & Supervisory Board. • All Audit and Supervisory Board Members attended the meetings of Board of Directors and the Audit and Supervisory Board Members attended other important meetings to confirm that the decisions were made in accordance with the revised medium-term management plan and that efforts were made to achieve the targets • All Audit and Supervisory Board Members attended the Sustainability Committee, and Audit and Supervisory Board Members also attended meetings of its various subcommittees, confirming that for important themes such as climate change, human rights, and investments in human capital, internal and external interests were being coordinated and issues resolved in accordance with the relevant policies, and that the process of deliberations was being reported and submitted to the Board of Directors in timely fashion • While on the one hand it was determined that specific measures had been devised in accordance with the basic policies set out in the revised medium-term management plan, on the other hand it was recognized that monitoring and ongoing improvements were required in relation to matters such as the handling of trade-offs, since there are remaining issues concerning the probability of achieving KPIs and sensitivity to overall performance.

(ii) Status of Internal Audit

Pursuant to the "Internal Audit Regulations," our Audit Office, the internal audit department, which is directly under the control of the Representative Director, President and CEO audits the legality and appropriateness of the execution of operations at the Company and our domestic and overseas subsidiaries, and evaluates the effectiveness of the internal controls, in light of their management and business objectives and relevant laws and regulations. During the current fiscal year, as part of internal control activities related to financial reporting, we audited 9 divisions for their group-wide systems and initiatives and 35 sites for daily administrative operations.

In addition, for the purpose of ensuring that internal control over financial reporting functions effectively and that the relevant departments proactively improve and promote internal control, we have appointed a person in charge of promoting internal control, hold semi-annual meetings, and have established a system for sharing information on internal control.

The number of staff of our internal audit department (the "Audit Office") was 6 as of March 31, 2026.

Our Audit and Supervisory Board Members and Audit Office have a regular meeting for reporting and confirmation once a month. The main purpose of such meeting is to report the discussions at major meetings at which our Audit and Supervisory Board Members attended, and plans and achievements by our Audit Office. We have implemented an audit system allowing the sharing of documents and information necessary for audit so that audit working papers are mutually exchanged and confirmed by our Audit and Supervisory Board Members and Audit Office, and the audit can be performed more efficiently and effectively through coordination between our Audit and Supervisory Board Members and Audit Office.

In terms of the reporting line of the Audit Office, it not only reports semi-annually to the Representative Director, President and CEO and Director and Corporate officer in charge of Group Business Management pursuant to the "Internal Audit Regulations" mentioned above, but also to the Board of Directors, the Audit and Supervisory Board Members, and the Audit and Supervisory Board. Specifically, the internal audit department (Audit Office) reported the audit results on internal control to the Board of Directors and the Audit and Supervisory Board at their meetings held in April 2026.

(iii) Status of Accounting Audit

a. Name of Audit Firm

An accounting audit agreement has been executed between the Company and Deloitte Touche Tohmatsu LLC (“Tohmatsu”) pursuant to the Companies Act and the Financial Instruments and Exchange Act.

b. Consecutive Number of Years During Which Audit Was Performed

58 years

The rotation of designated engagement partners is being conducted appropriately, and they have not been involved in audit work for more than 7 consecutive fiscal periods. Additionally, the lead designated engagement partner has not been involved in audit work for more than five consecutive fiscal periods.

c. Certified Public Accountants Who Were Engaged in the Audit

Names of the certified public accountants who were engaged in the audit:

Designated Limited Liability Partners and Managing Members: Shinichi Ishihara, Tomomi Tsuji

d. Composition of the Assistants for the Audit Services

The assistants for the accounting audit services for the Company include the following:

20 certified public accountants, 5 persons who passed the certified public accountant examination and 24 other persons

e. Policies and Reason for Appointing Audit Firm

The Audit and Supervisory Board selects the certified public accountants, etc. on the condition that such certified public accountants do not fall under any of the item under Paragraph 1, Article 340 of the Companies Act and that there is no event that may impair the eligibility and independence of such certified public accountants.

We have selected Tohmatsu based on the fact that it has the required independence, expertise, and appropriateness and adequacy in auditing activities, and on our judgment that it has the system to ensure that the accounting audit of the Company will be conducted appropriately and sufficiently.

f. Evaluation of Audit Firm by Audit and Supervisory Board Members and Audit and Supervisory Board

Under the discussion and resolution on the appointment and non-appointment of Tohmatsu, the Company’s Audit and Supervisory Board performed an evaluation from the following seven perspectives: (1) quality control of the audit firm; (2) audit team; (3) audit fees, etc.; (4) communication with Audit and Supervisory Board Members; (5) relationships with management, etc.; (6) group audit; and (7) fraud risk.

(iv) Audit Fees

a. Fees to Certified Public Accountants

Category	Fiscal Year Ended March 31, 2025		Fiscal Year Ended March 31, 2026	
	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)
The Company	132	–	142	–
Consolidated subsidiaries	12	–	12	–
Total	144	–	154	–

b. Fees to the same network as the Certified Public Accountants (Deloitte) (excluding a.)

Category	Fiscal Year Ended March 31, 2025		Fiscal Year Ended March 31, 2026	
	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)	Fees for Audit Services (Millions of yen)	Fees for Non-audit Services (Millions of yen)
The Company	–	12	–	15
Consolidated subsidiaries	189	95	168	76
Total	189	107	168	91

For both fiscal years ended March 31, 2025 and 2026, the Company paid fees for non-audit services to the accounting auditor or certified public accountants as compensation for the advice and guidance regarding tax.

For both fiscal years ended March 31, 2025 and 2026, the consolidated subsidiaries paid fees for non-audit services to the accounting auditor or certified public accountants as compensation for the advice and guidance regarding tax.

c. Other material audit fees

Not applicable.

d. Policy on determination of audit fees

The Company determines the amount of audit fees to be paid to the accounting auditor and certified public accountants, after taking into account the number of days and system required for the audit, the operational characteristics of the Company and other factors, and after negotiation with such accounting auditor or certified public accountants and with the approval of the Audit and Supervisory Board.

e. Reason by Audit and Supervisory Board Members for giving consent on the amount of fees payable to the Accounting Auditor

The Audit and Supervisory Board of the Company 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 and Supervisory Board has deemed the amount of compensation for the current fiscal year is appropriate. Based on the above, the Audit and Supervisory Board has given its consent, pursuant to the provisions of Paragraph 1, Article 399 of the Companies Act, to the amount of compensation payable to the Accounting Auditor.

(4) Remunerations, etc. paid to officers

(i) Details and policies of calculation methods for amount of remunerations, etc. paid to officers or method of calculating such amount

The Company has established a policy on determining the details of remunerations, etc. payable to each Director (this “Policy”) through deliberation and recommendations by the Remuneration of Directors Advisory Committee, chaired by an External Director (Independent), and by resolution of the Board of Directors. The remunerations paid to Directors under our executive remuneration system consists of “Basic Remuneration,” the amount of which is fixed, and “Bonus,” which is linked to the business results of each fiscal year, as well as “Restricted Stock,” which is linked to medium- and long-term business results, and “Performance Share Unit,” for which the Company’s Board of Directors has set a certain period of time as the performance evaluation period. In the case of External Directors (Independent) and Audit and Supervisory Board Members who shall be in the position independent from the management, only “Basic Remuneration,” the amount of which is fixed.

<Basic Remuneration>

The basic remuneration is based on the so-called single-rate remuneration system, in which the same remuneration is paid for the same position. The Company annually verifies the adequacy of the level of remuneration, which has been set according to the business results and scale of the Company and is based on comparison with other companies within the same industry or of the same scale through the investigation results on remuneration prepared by an external advisory.

Specific details of basic remuneration amount for Directors are determined by the Board of Directors based on the reports prepared by the Remuneration of Directors Advisory Committee, which is chaired by External Directors (Independent) and the majority of which are composed of External Directors (Independent). The basic remuneration amount for Audit and Supervisory Board Members is determined after discussion within the Audit and Supervisory Board.

<Performance-based Bonus (performance-based remuneration)>

The total amount of the performance-based bonus is determined by the achievement ratio of each of the indicators, including consolidated ROIC, consolidated revenue and consolidated business profit for the final fiscal year of Medium-Term Management Plan in order to increase the correlation with consolidated financial results. When quantitative performance indicators fall below the standards determined by the Board of Directors, performance-based bonus will not be paid.

The amount of performance-based bonus to Directors is resolved at a Board of Directors meeting and the total amount is approved at the general meeting of shareholders based on reports prepared by the Remuneration of Directors Advisory Committee, which is chaired by External Directors (Independent) and the majority of which are composed of External Directors (Independent).

<Restricted Stock (non-monetary remuneration)>

Restricted stock is determined in consideration of the monthly amount of basic remuneration and the fair value of stock, which in turn are determined pursuant to the recommendations of the Remuneration of Directors Advisory Committee, and will be allotted in the number determined and resolved at a Board of Directors meeting once a year. Allotted shares will be subject to transfer restriction during the period from the date allotted shares are granted until the date such Director, Audit and Supervisory Board Member or Corporate Officer designated by the Company retires from their position. The transfer restrictions on all allotted shares will be removed upon the expiration of the transfer restriction period if such eligible grantee has continuously held the position of Director, Audit and Supervisory Board Member or Corporate Officer until the date of the first Ordinary General Meeting of Shareholders after the start date of the transfer restriction period. The Company may repurchase all of the allotted shares bearing transfer restrictions as a result of a breach of restricted stock allotment agreement without consideration.

<Performance Share Unit (non-monetary remuneration)>

As for the performance share unit, the Company allots to Eligible Directors our common stock in the number of shares in accordance with the degree of achievement to the numerical targets of business performance, etc., set by the Board of Directors during the performance evaluation period for a certain period of time determined by the Company’s Board of Directors.

The Board of Directors of the Company shall determine performance evaluation indicators and coefficients that are necessary in the specific calculation of the number of performance share unit to be delivered, such as respective numerical targets to be used in allotting the shares of the performance share unit.

Allotment of the number of shares that was resolved at the Board of Directors of the Company based on the calculation method is conducted once after the completion of the performance evaluation period. The Eligible Director needs to have continuously held the position of Director, Audit and Supervisory Board Member, or Corporate Officer as designated by the Company's Board of Directors during the performance evaluation period and satisfy other requirements that the Board of Directors designates as necessary.

The transfer restriction period shall be the period from the date on which such shares of the performance share unit are granted until the date of retirement from the positions of Director, Audit and Supervisory Board Member, or Corporate Officer as designated by the Company, with the conditions for removing the transfer restrictions to be provided separately. The Company may repurchase all of the allotted shares bearing transfer restrictions as a result of a breach of restricted stock allotment agreement without consideration.

Performance Share Unit granted for the 78th Fiscal Year (for the period from April 2025 to March 2026)

Metrics	Target value (Millions of yen)	Weight	Actual value (Millions of yen)
(i)Consolidated ROI	7%	50%	5.9%
(ii)Consolidated business profit	13,000	50%	(461)
Actual payment	–	–	–

Performance Share Unit granted to Directors of the subsidiaries for the 78th Fiscal Year (for the period from April 2025 to March 2026)

Metrics	Target value (Millions of yen)	Weight	Actual value (Millions of yen)
(i)Operating profit	6,000	100%	689
Actual payment	–	–	–

Performance evaluation indicators for the 79th fiscal year will be changed to the following, with the aim of continuing to increase the linkage with the medium-term management plan and having ROIC management fully embraced.

Performance evaluation indicators and performance payment rates for the target period of the 79th fiscal year

Performance Evaluation Indicator 1		Performance Evaluation Indicator 2	
Consolidated ROIC (4.0%)	Performance payment rate	Consolidated business profit (8,500 million yen)	Performance payment rate
Achievement rate of 100% or higher	50%	Achievement rate of 100% or higher	50%
Achievement rate of below 100%	0%	Achievement rate of below 100%	0%

* Consolidated ROIC = Business profit before interest and after taxes / (Interest-bearing debt + Shareholders' Equity)

* Business profit = Revenue − (Cost of sales + Selling, general and administrative expenses)

Performance evaluation indicators and performance payment rates for Directors of the principle subsidiary, Wacoal Corp., shall be as follows:

Performance Evaluation Indicator 1		Performance Evaluation Indicator 2	
Non-consolidated ROIC (9.8%)	Performance payment rate	Non-consolidated business profit (4,000 million yen)	Performance payment rate
Achievement rate of 100% or higher	50%	Achievement rate of 100% or higher	50%
Achievement rate of below 100%	0%	Achievement rate of below 100%	0%

* Non-consolidated ROIC = Non-consolidated operating profit after taxes / (Trade receivables - trade payables + inventories + fixed assets)
* Non-consolidated operating profit = Operating profit based on Japanese GAAP

Upon determination of the remuneration and other matters with respect to each Director for the current fiscal year, the Remuneration of Directors Advisory Committee holds discussions and deliberations, including with respect to the consistency of the draft with this Policy, and reports to the Board of Directors of the Company. The Board of Directors of the Company respects the Committee's recommendations and believes that the determination is generally consistent with this Policy.

The maximum annual amounts of the basic remuneration paid to Directors and Audit and Supervisory Board Members were determined to be 350 million yen (excluding the amount paid as salaries for employees to the Directors who concurrently serve as employees) and 75 million yen, respectively, by the resolution adopted at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005. The numbers of Directors and Audit and Supervisory Board Members upon the close of the 57th Ordinary General Meeting of Shareholders were 7 and 5, respectively.

The amount of Performance-Linked bonuses was determined to be such amount as is determined according to the business results of each fiscal year, which is resolved at Ordinary General Meeting of Shareholders.

Further, the maximum annual amount of restricted stock was determined to be 70 million yen by the resolution adopted at the 73rd Ordinary General Meeting of Shareholders held on June 29, 2021. The number of Directors (excluding External Director (Independent)) who are eligible recipients upon the close of the Ordinary General Meeting of Shareholders was 4.

In addition, the maximum annual amount of the performance share unit was determined to be 70 million yen by the resolution adopted at the 76th Ordinary General Meeting of Shareholders held on June 25, 2024. The number of Directors (excluding External Director (Independent)) who are eligible recipients upon the close of the Ordinary General Meeting of Shareholders was 3.

The ratios of basic remuneration, performance-based bonus, restricted stock compensation and performance share unit are as follows, when the performance-based bonus is at the level of the reference value.

Basic remuneration 55 to 56%; performance-based bonuses 14%; restricted stock 19 to 20%; performance share unit 11 to 12%

(Assuming the performance-based bonus is at the level of the reference value, the higher the position is, the lower the ratio of basic remuneration.)

The retirement allowance system for officers was abolished by the resolution adopted at the 57th Ordinary General Meeting of Shareholders held on June 29, 2005.

(ii) Aggregate amount of remunerations, etc., paid to each category of officers, aggregate amount of remunerations, etc., by type thereof, as well as the number of relevant officers

Category of Officers	Aggregate Amount of Remunerations, etc. (Millions of yen)	Aggregate Amount of Remunerations, etc., by Type Thereof (Millions of yen)				Number of Relevant Officers
		Fixed remuneration	Performance-based Bonus	Share-based compensation	of which, Non-monetary remuneration	
Directors (excluding External Directors (Independent))	183	136	–	47	47	3
Audit and Supervisory Board Members (excluding External Audit and Supervisory Board Members (Independent))	41	41	–	–	–	2
External Officers	77	77	–	–	–	9

(Notes) 1. The numbers of Directors, Audit and Supervisory Board Members and External Officers were 3, 2 and 8, respectively. The numbers of External Officers in the table above include one (1) External Officer who resigned upon the close of the 77th Ordinary General Meeting of Shareholders held on June 25, 2025.

2. Aggregate amount of remunerations, etc. to Directors (excluding External Directors (Independent)) include officers' remuneration from the consolidated subsidiaries.

3. Non-monetary remuneration, etc. to Directors (excluding External Directors (Independent)) comprises share-based compensation in the amount of 47 million yen.

(5) 【Information on Shareholdings】

(i) Standard and Concept for Categories of Investment Stocks

With respect to the category of investment stocks that are held for the purpose of pure investment and those held for purposes other than pure investment, shares held solely for the purpose of benefiting from fluctuations in share value or dividends related to the shares are classified as investment stocks for pure investment purposes. Shares held for the purpose of maintaining and enhancing business transactions, building, maintaining, and enhancing cooperative and transactional relationships for business expansion, and maintaining steady financial transactions are classified as investment stocks for purposes other than pure investment (strategic shareholding).

(ii) Equity securities held by Wacoal Corp.

Shares held by Wacoal Corp., which holds the largest amount of investment stocks on the balance sheet (i.e., the balance sheet amount of investment stocks) among the Company and our consolidated subsidiaries, are as follows:

A. Equity securities held for purposes other than pure investment

a. Policies and method to verify the rationality of shareholding, as well as the verification process at the meetings of Board of Directors and others regarding appropriateness of holding individual issues

The Company examines whether it is appropriate to hold shares from a medium- to long-term perspective and whether risks associated with such holding are worth the cost of capital. To be more specific, we evaluate items such as yield of dividends received and report to the Board of Directors on a regular basis. The Board of Directors then examines whether the holding will enhance corporate value of the Company from a medium- to long-term perspective based on such verification results and determines whether to continue to hold or dispose of such shares.

b. Number of Issues and Amount Recorded in the Balance Sheet

	Number of issues (Issue)	Total Amount Recorded in the Balance Sheet (Millions of yen)
Unlisted stocks	24	1,546
Stocks other than unlisted stocks	14	39,298

(Issues the number of whose shares increased during the current fiscal year)

	Number of issues (Issue)	Total Acquisition Amount due to Increase in the Number of Shares (Millions of yen)	Reason for Increase in the Number of Shares
Unlisted stocks	–	–	–
Stocks other than unlisted stocks	1	1	Acquisition of shares through share ownership plan for shares in clients

(Issues the number of whose shares decreased during the current fiscal year)

	Number of issues (Issue)	Total Disposal Amount due to Decrease in the Number of Shares (Millions of yen)
Unlisted stocks	–	–
Stocks other than unlisted stocks	4	12,734

c. Information on specified investment stocks and stocks deemed to be held, including the number of shares and the amount recorded in the balance sheet by issue

Specified investment stocks:

Issue	Current Fiscal Year	Previous Fiscal Year	Purpose of holding, Overview of business alliances, etc., Quantitative Effects of Shareholding (Note 2) and Reason for Increase in Number of Shares	Whether Issuer Holds the Company's Shares
	Number of Shares (Shares)	Number of Shares (Shares)		
	Amount Recorded in the Balance Sheet (Millions of yen)	Amount Recorded in the Balance Sheet (Millions of yen)		
Kyoto Financial Group, Inc.	2,279,988	2,279,988	We engage in a financial transaction with the issuer, as a major local financial firm, and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
	9,259	5,188		
Aeon Co., Ltd.	4,641,608	1,546,918	We engage in a transaction involving innerwear products and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value. The number of shares has increased due to the acquisition of shares through the stock ownership association and a stock split.	Yes
	8,747	5,800		
Mitsubishi UFJ Financial Group, Inc.	2,885,850	2,885,850	We engage in overall financial transactions with the issuer as a major financial institution and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes (Note 3)
	7,503	5,803		

Issue	Current Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Previous Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Purpose of holding, Overview of business alliances, etc., Quantitative Effects of Shareholding (Note 2) and Reason for Increase in Number of Shares	Whether Issuer Holds the Company's Shares
Horiba, Ltd.	230,000 4,108	230,000 2,287	We have a close connections with the issuer, as a local firm, through information sharing, and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of business strategy.	Yes
Shiga Bank, Ltd.	398,000 3,707	398,000 2,093	We engage in a financial transaction with the issuer, as a major local financial firm, and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
Saha Pathana Inter-Holding PLC	11,409,999 2,481	7,606,666 2,075	We have a close cooperative relationship in business deployment in the Kingdom of Thailand and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value in the Kingdom of Thailand. The number of shares has increased by way of a capital increase by the gratis allotment of shares.	No
AEON Financial Service Co., Ltd.	687,300 1,069	687,300 906	Issuer is a group company of Aeon Co., Ltd. with which we engage in a transaction of innerwear products and continue to hold the issuer's shares to maintain and strengthen our good relationship with Aeon group from the perspective of business strategy.	No
Seven & i Holdings Co., Ltd.	464,907 987	464,907 1,005	We engage in a transaction involving innerwear products and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
I.C.C INTERNATIONAL PLC	4,605,968 548	3,362,357 443	We have a close cooperative relationship in business deployment in the Kingdom of Thailand and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value in the Kingdom of Thailand. The number of shares has increased by way of a capital increase by the gratis allotment of shares.	Yes

Issue	Current Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Previous Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Purpose of holding, Overview of business alliances, etc., Quantitative Effects of Shareholding (Note 2) and Reason for Increase in Number of Shares	Whether Issuer Holds the Company's Shares
Matsuya Co., Ltd.	205,000	205,000	We engage in a transaction of various products, mainly innerwear products, and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
	370	218		
King Co., Ltd.	168,000	168,000	We have a close connection with the issuer through information sharing as apparel manufacturers and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of business strategy.	Yes
	192	125		
FUJI CO., LTD.	62,600	62,600	We engage in a transaction involving innerwear products and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
	130	135		
Toray Industries, Inc.	100,000	100,000	As the issuer is one of the major suppliers of textile-related products, we continue to hold the issuer's shares to enhance corporate value and to maintain and strengthen our good relationship through a stable supply.	Yes
	110	101		
Sankyo Seiko Co., Ltd.	94,380	94,380	We have a close connection with the issuer through information sharing as apparel manufacturers and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of business strategy.	Yes
	81	58		
SCREEN Holdings Co., Ltd.	–	434,358	We had a close connection with the issuer, as a local firm, through information sharing and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of business strategy.	No
	–	4,167		
Tokio Marine Holdings, Inc.	–	411,000	We had various general insurances to minimize business risks and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes (Note 3)
	–	2,357		

Issue	Current Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Previous Fiscal Year Number of Shares (Shares) Amount Recorded in the Balance Sheet (Millions of yen)	Purpose of holding, Overview of business alliances, etc., Quantitative Effects of Shareholding (Note 2) and Reason for Increase in Number of Shares	Whether Issuer Holds the Company's Shares
Takara Holdings Inc.	–	1,000,000	We had a close connection with the issuer, as a local firm, through information sharing and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of business strategy.	No
	–	1,145		
IZUMI Co., Ltd.	–	3,348	We engaged in a transaction involving innerwear products and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	10		

(Notes) 1. "–" indicates that we do not hold any shares of such issue.
2. The quantitative effects of shareholding are difficult to describe as they relate to individual transactions.
3. The company in which we hold the shares does not hold any shares of the Company, while its subsidiary holds shares of the Company.

Stocks deemed to be held:

Issue	Current Fiscal Year	Previous Fiscal Year	Purpose of holding, Overview of business alliances, etc., Quantitative Effects of Shareholding (Note 2) and Reason for Increase in Number of Shares	Whether Issuer Holds the Company's Shares
	Number of Shares (Shares)	Number of Shares (Shares)		
	Amount Recorded in the Balance Sheet (Millions of yen)	Amount Recorded in the Balance Sheet (Millions of yen)		
KDDI Corporation	5,088,000	2,544,000	We engage in a transaction involving communications equipment and infrastructure with the issuer and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value. We currently have a retirement benefit trust agreement under which we withhold our right to give directions on the exercise of voting rights. The number of shares has increased due to a stock split.	No
	13,857	12,005		
Mitsubishi UFJ Financial Group, Inc.	3,365,000	3,365,000	We engage in overall financial transactions with the issuer as a major financial institution and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value. We currently have a retirement benefit trust agreement under which we withhold our right to give directions on the exercise of voting rights.	Yes (Note 3)
	8,749	6,767		

(Notes) 1. The specified investment stocks and stocks deemed to be held are not combined when selecting the largest issues based on the amount recorded in the balance sheet.
2. The quantitative effects of shareholding are difficult to describe as they relate to individual transactions.
3. The company in which we hold the shares does not hold any shares of the Company, while its subsidiary holds shares of the Company.

B. Equity securities held for pure investment
Not applicable.

C. Equity securities reclassified from "held for pure investment" to "held for purposes other than pure investment" during the current fiscal year
Not applicable.

D. Equity securities reclassified from "held for purposes other than pure investment" to "held for pure investment" during the four previous fiscal years and the current fiscal year
Not applicable.

(iii) Equity securities held by Wacoal Holdings Corp.

A. Equity securities held for purposes other than pure investment

a. Policies and method to verify the rationality of shareholding, as well as the verification details at meetings of Board of Directors and others regarding appropriateness of holding individual issues

The Company examines whether it is appropriate to hold shares from a medium- to long-term perspective and whether risks associated with such holding are worth the cost of capital. To be more specific, we evaluate items such as yield of dividends received and report to the Board of Directors on a regular basis. The Board of Directors then examines whether the holding will enhance corporate value of the Company from a medium- to long-term perspective based on such verification results, and determines whether to continue to hold or dispose of such shares.

The information on quantitative effects of shareholding is omitted since they relate to individual transactions.

b. Number of Issues and Amount Recorded in the Balance Sheet

	Number of issues (Issue)	Total Amount Recorded in the Balance Sheet (Millions of yen)
Unlisted stocks	3	222
Stocks other than unlisted stocks	–	–

(Issues the number of whose shares increased during the current fiscal year)

	Number of issues (Issue)	Total Acquisition Amount due to Increase in the Number of Shares (Millions of yen)	Reason for Increase in the Number of Shares
Unlisted stocks	–	–	–
Stocks other than unlisted stocks	–	–	–

(Issues the number of whose shares decreased during the current fiscal year)

	Number of issues (Issue)	Total Disposal Amount due to Decrease in the Number of Shares (Millions of yen)
Unlisted stocks	–	–
Stocks other than unlisted stocks	–	–

c. Information on specified investment stocks and stocks deemed to be held, including the number of shares and the amount recorded in the balance sheet by issue

Not applicable.

B. Equity securities held for pure investment

Not applicable.

C. Equity securities reclassified from “held for pure investment” to “held for purposes other than pure investment” in the current fiscal year

Not applicable.

D. Equity securities reclassified from “held for purposes other than pure investment” to “held for pure investment” in the current fiscal year and the four fiscal years prior to the current fiscal year

Not applicable.

5. 【Employees】

(1) Risks related to business environment and strategies

(i) Talent strategy linked to consolidated corporate strategy

It is described in “II. Operating and Financial Review and Prospects, 2. 【Sustainability Approaches and Initiatives】 (3) Human Capital.”

(ii) Policy on determination of employee payroll, etc.

The Group positions human resources as an important management resource and aims to achieve sustainable growth of corporate value by providing fair treatment depending on roles and job value.

With this idea, Wacoal Corp. is trying to change the treatment based on age and attributes, gradually implementing the transition to role-based grading system, the abolishment of positions and the unification of evaluation and treatment. To be more specific, we are building a system to comprehensively evaluate the value of the role (job) each employee holds, their achievements and abilities, and to reflect the results in treatment. Moreover, in light of management strategies and changes in the business environment, we introduced a wage system that can be flexibly reviewed in response to changes in job descriptions and roles to improve adaptability to environmental changes.

As for the evaluation system, we focus on ensuring fairness and convincing results based on roles, achievements and abilities without the influence of attributes such as gender and age. Moreover, we are trying to acquire and retain talented people by designing treatment that takes into account external labor market trends and wage standards.

<Link to talent strategy>

The treatment system of Wacoal Corp. is designed and operated based on the human resource strategies linked to the management strategies.

From the perspective of acquiring human resources, we set a competitive remuneration range to secure talent who contribute to business growth, including people with expertise and experience.

Moreover, in order to support each and every employee’s career development, we link career development measures such as open recruitment, transfer and training and promotion and salary increase systems. In this way, we arrange a system that allows employees to select their growth opportunities based on their preferences and abilities, with the results reflected in their treatment.

Furthermore, based on the recognition that improving management quality is essential to maximize the organizational performance, we are trying to balance the development of managers through a management reinforcement program and treatment that aligns with the roles and responsibilities managers are expected to handle.

With these initiatives, we aim to establish human resources and treatment systems that achieve a virtuous cycle of individual growth and organizational performance.

(2) 【Employees】

(i) Employees within group

As of March 31, 2026

Segment	Number of Employees	
Wacoal Business (Domestic)	4,928	[227]
Wacoal Business (Overseas)	9,274	[29]
Peach John Business	396	[35]
Other	186	[90]
Total	14,784	[381]

(Notes)
1. The number of employees is the number of individuals working within our group (excludes individuals seconded from our group to third parties, but includes individuals seconded from third parties to our group). The average number of temporary employees is indicated in brackets for the current fiscal year.
2. Temporary employees include temporary staff and part-time workers whose working period is about 3 months.
3. The number of other employees decreased by 514 compared to the end of the previous fiscal year, mainly due to the removal of Lecien Corporation from the scope of consolidation, resulting from the transfer of its shares.

(ii) Employees of the Company

As of March 31, 2026

Number of Employees	Average Age	Average Years of Service	Average Annual Salary (Yen)	Year-on-year increase/decrease in average annual salary (%)
103	45.7	18.0	6,204,157	3.7

(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 average annual salary includes bonus and extra wages.
3. All employees of the Company belong to the Wacoal Business (Domestic) segment.

(iii) Status of the company with the largest number of employees

Wacoal Corp. As of March 31, 2026

Number of Employees	Average Age	Average Years of Service	Average Annual Salary (Yen)	Year-on-year increase/decrease in average annual salary (%)
3,336 [68]	45.5	16.8	4,129,365	1.6

(Notes) 1. The number of employees is the number of individuals working within our group (excludes individuals seconded from our group to third parties, but includes individuals seconded from third parties to our group). The average number of temporary employees is indicated in brackets for the current fiscal year.
2. The average annual salary includes bonus and extra wages.
3. All employees of Wacoal Corp. belong to the Wacoal Business (Domestic) segment.

(iv) Relationship with Labor Union

Employees of the Company are seconded from Wacoal Corp. at which the Wacoal Labor Union is organized. The Wacoal Labor Union is a member of The Japanese Federation of Textile, Chemical, Food, Commercial, Service, and General Workers' Unions.

Certain subsidiaries have their own labor unions.

Our relationship with Labor Unions is very stable and we have nothing to report on this matter.

(v) Ratio of female employees among employees in managerial positions, ratio of male employees taking child-rearing leave, and differences in wage amounts between male and female employees

a. The Company

Current Fiscal Year				
Ratio of Female Employees among Employees in Managerial Positions (%) (Note 1)	Ratio of Male Employees Taking Child-rearing Leave (%) (Note 2)	Differences in Wages Amounts between Male and Female Employees (%) (Note 1)		
		All Employees	Full-time Employees	Part-time/fixed-term contract employees
32.0	–	59.4	57.4	66.8

(Notes) 1. The figures shown have been calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
2. The figures shown are the ratio of male employees who have taken "childcare leave, etc." as set forth in Paragraph 1, Article 71-6 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) pursuant to the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures or the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). As there are no males taking child-rearing leave, "–" is shown.
3. Part-time/fixed-term contract employees comprise contract employees and post-retirement rehires.

b. Our Consolidated Subsidiaries

(Domestic)

Name of Company	Current Fiscal Year					Supplemental Explanation
	Ratio of Female Employees among Employees in Managerial Positions (%) (Note 1)	Ratio of Male Employees Taking Child-rearing Leave (%) (Note 2)	Differences in Wage Amount between Male and Female Employees (%) (Note 1)			
			All Employees	Full-time Employees	Part-time/fixed-term contract employees	
Wacoal Corp.	41.6	63.6	49.7	50.0	58.9	(Notes 3, 4)
Peach John Co., Ltd.	87.5	–	36.0	73.5	–	
Wacoal Manufacturing Japan Corp.	20.0	0.0	73.7	77.0	51.5	
Torica Inc.	24.0	0.0	55.8	59.7	94.7	
Wacoal Distribution Corp.	11.1	–	49.7	81.9	71.2	
Wacoal Career Service Corp.	33.3	0.0	76.2	82.1	–	
Wacoal Art Center Co., Ltd.	33.3	–	56.2	70.6	–	
Ai Co., Ltd.	87.7	–	55.3	83.2	40.0	
Unenana Cool Corp.	0.0	–	30.1	34.0	–	
Linge Noel Co., Ltd.	50.0	–	25.4	30.0	–	
Wacoal Service Co., Ltd.	0.0	–	58.2	50.7	76.0	
Wacoal I Next Corp.	50.0	–	114.9	67.9	117.2	

(Notes)

1. The figures shown have been calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
2. The figures shown are the ratio of male employees who have taken "childcare leave, etc." as set forth in Paragraph 1, Article 71-6 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) pursuant to the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures or the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). For companies with no males eligible for child-rearing leave, "–" is shown.
3. To conform to figures released under the Act on Promotion of Women's Participation and Advancement in the Workplace, figures of Wacoal Corp. including those of the Company have been disclosed for each indicator.
4. Of full-time employees of Wacoal Corp., "Differences in Wages between Male and Female Employees" in "Managerial Positions," "Career-track Positions" and "Sales Positions" is as follows. Details of "Differences in Wages between Male and Female Employees" are provided in "II. Operating and Financial Review and Prospects, 2.【Sustainability Approaches and Initiatives】, (3) Human Capital."

(%)

	All Full-time Employees	Of Which Managerial Positions	Of Which Career-track Positions	Of Which Sales Positions
Wacoal Corp.	50.0	90.9	67.2	–

(Overseas)

Current Fiscal Year	
Name of Company	Ratio of Female Employees among Employees in Managerial Positions (%)
WACOAL INTERNATIONAL CORP.	33.0
WACOAL AMERICA, INC.	58.8
WACOAL EUROPE LTD.	67.6
Wacoal China Co., Ltd.	78.7
Wacoal Hong Kong Co., Ltd.	100.0
Wacoal Singapore Private Ltd.	50.0
Philippine Wacoal Corp.	75.0
Vietnam Wacoal Corp.	77.8
Wacoal India Private Ltd.	33.3
Guandong Wacoal Inc.	50.0
Dalian Wacoal Co., Ltd.	60.0
WACOAL INTERNATIONAL HONG KONG CO., LTD.	62.5
A Tech Textile Co., Ltd.	35.5
G Tech Material Co., Ltd.	55.9

(Notes) 1. Positions are Section Manager above (including officers). A person with more than two positions is counted as one.

2. The number of employees is the number of staff and organization as of the end of January 2026.

V. 【Financial Information】

1. Preparation of consolidated financial statements

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”), pursuant to the provisions of Article 312 of the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Order No. 28 of 1976, the “Regulation on Consolidated Financial Statements”).

2. Audit attestation

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the consolidated financial statements for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026) have been audited by Deloitte Touche Tohmatsu LLC.

3. Special efforts to ensure fair presentation of consolidated financial statements and other public filings as well as internal system to appropriately prepare consolidated financial statements and other public filings in accordance with IFRS Accounting Standards

The Company makes special efforts to ensure fair presentation of consolidated financial statements and other public filings as well as internal system to appropriately prepare consolidated financial statements and other public filings in accordance with IFRS Accounting Standards. The details are as follows.

(1) In order to have an appropriate understanding about the contents of the accounting standards and other principles and to develop a system so that the Company can properly respond to the changes in the accounting standards and other principles, the Company has become a member of the Financial Accounting Standards Foundation and participates in seminars held by organizations and bodies with expertise.

(2) In order to apply IFRS Accounting Standards appropriately, the Company keeps itself updated about the latest IFRS Accounting Standards by obtaining press releases and standards disclosed by the International Accounting Standards Board. In addition, in order to prepare consolidated financial statements appropriately in accordance with IFRS, the Company has developed group accounting policies that comply with IFRS Accounting Standards and prepared the consolidated financial statements based on the policies.

【Consolidated Financial Statements】

(1) 【Consolidated Financial Statements】

(i) 【Consolidated Statement of Financial Position】

(Millions of yen)

Accounts	Note	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Assets			
Current assets:			
Cash and cash equivalents	8	23,419	44,170
Trade and other receivables	9,36	16,835	17,441
Other financial assets	10,36	2,007	2,061
Inventories	11	50,226	51,112
Other current assets	12,13	7,406	4,829
Total current assets		99,893	119,613
Non-current assets:			
Property, plant and equipment	14	43,252	35,290
Right-of-use assets	20	12,398	11,912
Goodwill	15	15,199	15,497
Intangible assets	15	12,323	11,061
Investment property	16	1,634	1,601
Investments accounted for using equity method	17	20,064	19,787
Other financial assets	10,36	42,022	47,298
Retirement benefit assets	23	18,399	22,300
Deferred tax assets	18	6,879	7,322
Other non-current assets	12	682	634
Total non-current assets		172,852	172,702
Total assets		272,745	292,315

(Millions of yen)

Accounts	Note	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Liabilities and Equity			
Liabilities			
Current liabilities:			
Borrowings	19,36	11,915	6,821
Lease liabilities	20,36	4,704	4,691
Trade and other payables	21,36	15,778	12,406
Other financial liabilities	22,36	916	825
Income taxes payable		3,019	7,218
Other current liabilities	13,25	13,716	13,194
Total current liabilities		50,048	45,155
Non-current liabilities			
Borrowings	19,36	2,554	5,443
Lease liabilities	20,36	7,924	7,357
Retirement benefit liability	23	1,621	1,320
Deferred tax liabilities	18	14,185	19,325
Other non-current liabilities	24,25	1,293	1,270
Total non-current liabilities		27,577	34,715
Total liabilities		77,625	79,870
Equity			
Common stock	26	13,260	13,260
Additional paid-in capital	26	4,311	140
Retained earnings	26	153,808	162,625
Other components of equity	26	38,636	49,360
Treasury stock, at cost	26	(17,968)	(15,787)
Total equity attributable to owners of parent		192,047	209,598
Noncontrolling interests		3,073	2,847
Total equity		195,120	212,445
Total liabilities and equity		272,745	292,315

(ii) 【Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income】

【Consolidated Statement of Profit or Loss】

(Millions of yen)

Accounts	Note	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Revenue	28	173,896	171,510
Cost of sales		(76,452)	(73,279)
Selling, general and administrative expenses	29	(100,881)	(98,692)
Other income	30	11,211	24,080
Other expenses	30	(4,486)	(3,742)
Operating profit		3,288	19,877
Finance income	31	2,170	2,075
Finance costs	31	(591)	(785)
Share of profit of investments accounted for using equity method	17	828	540
Impairment charges of investments accounted for using equity method	17	(15)	(2,054)
Profit before tax		5,680	19,653
Income tax expense	18	1,337	(6,712)
Profit		7,017	12,941
Profit (Loss) attributable to:			
Owners of parent		7,218	13,124
Noncontrolling interests		(201)	(183)
Profit		7,017	12,941
Earnings per share:	33		
Basic earnings per share (Yen)		133.90	261.65
Diluted earnings per share (Yen)		133.39	261.00

【Consolidated Statement of Comprehensive Income】

(Millions of yen)

Accounts	Note	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit		7,017	12,941
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	32	(3,506)	12,585
Remeasurement of defined benefit plans	32	(332)	2,450
Share of other comprehensive income of investments accounted for using equity method	17,32	(117)	294
Total of items that will not be reclassified to profit or loss		(3,955)	15,329
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	32	(422)	6,126
Share of other comprehensive income of investments accounted for using equity method	17,32	(142)	589
Total of items that may be reclassified subsequently to profit or loss		(564)	6,715
Total other comprehensive income (loss)		(4,519)	22,044
Comprehensive income		2,498	34,985
Comprehensive income attributable to:			
Owners of parent		2,629	35,049
Noncontrolling interests		(131)	(64)
Comprehensive income		2,498	34,985

(iii) 【Consolidated Statement of Changes in Equity】

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Note	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2024		13,260	20,550	148,494	46,784	(17,259)	211,829	3,313	215,142
Profit (Loss)				7,218			7,218	(201)	7,017
Other comprehensive income	32				(4,589)		(4,589)	70	(4,519)
Total comprehensive income		–	–	7,218	(4,589)	–	2,629	(131)	2,498
Repurchase of treasury stock	26					(17,008)	(17,008)		(17,008)
Disposal of treasury stock	26		0			0	0		0
Cancellation of treasury stock	26		(16,011)			16,011	–		–
Share-based payment transactions	35		(228)			288	60		60
Dividends	27			(5,463)			(5,463)	(107)	(5,570)
Disposal of subsidiaries							–	(2)	(2)
Transfer from other components of equity to retained earnings	26			3,559	(3,559)		–		–
Total transactions with owners		–	(16,239)	(1,904)	(3,559)	(709)	(22,411)	(109)	(22,520)
Balance at March 31, 2025		13,260	4,311	153,808	38,636	(17,968)	192,047	3,073	195,120

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

Item	Note	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Share capital	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2025		13,260	4,311	153,808	38,636	(17,968)	192,047	3,073	195,120
Profit (Loss)				13,124			13,124	(183)	12,941
Other comprehensive income	32				21,925		21,925	119	22,044
Total comprehensive income		–	–	13,124	21,925	–	35,049	(64)	34,985
Repurchase of treasury stock	26		(9)			(12,469)	(12,478)		(12,478)
Cancellation of treasury stock	26		(14,055)			14,055	–		–
Share-based payment transactions	35		(550)			595	45		45
Dividends	27			(5,073)			(5,073)	(100)	(5,173)
Changes in ownership interest in subsidiaries			8				8	(62)	(54)
Transfer from retained earnings to capital surplus			10,435	(10,435)			–		–
Transfer from other components of equity to retained earnings	26			11,201	(11,201)		–		–
Total transactions with owners		–	(4,171)	(4,307)	(11,201)	2,181	(17,498)	(162)	(17,660)
Balance at March 31, 2026		13,260	140	162,625	49,360	(15,787)	209,598	2,847	212,445

(ⅳ) 【Consolidated Statement of Cash Flows】

(Millions of yen)

Accounts	Note	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Operating activities			
Profit		7,017	12,941
Depreciation and amortization		11,862	11,169
Impairment charges		2,369	1,190
Finance income		(2,170)	(2,075)
Finance costs		591	785
Share of profit of investments accounted for using equity method		(828)	(540)
Impairment charges of investments accounted for using equity method		15	2,054
Income tax expense		(1,337)	6,712
Gain on sale and disposal of property, plant and equipment-net		(9,227)	(19,291)
(Increase)decrease in trade and other receivables		4,696	(148)
Decrease in inventories		1,025	1,279
Increase in other assets		(72)	(543)
Decrease in trade and other payables		(1,844)	(2,933)
Decrease in retirement benefit asset or liability		(220)	(4,231)
Decrease in other liabilities		(2,405)	(475)
Other		(917)	4,577
Subtotal		8,555	10,471
Interest received		488	403
Dividends received		1,794	1,824
Interest paid		(577)	(754)
Income taxes paid		(6,246)	(5,453)
Income taxes refunded		951	1,996
Net cash provided by operating activities		4,965	8,487
Investing activities			
Proceeds from withdrawal of time deposits		2,115	8,813
Payments into time deposits		(1,695)	(9,022)
Purchase of property, plant and equipment		(2,496)	(3,324)
Proceeds from sale of property, plant and equipment		11,569	27,421
Purchase of intangible assets		(1,379)	(805)
Purchase of other financial assets		(234)	(125)
Proceeds from sale or amortization of other financial assets		7,825	13,156
Payments for acquisition of subsidiaries	7	(7,270)	–
Proceeds from sale of subsidiaries		858	–
Payments for net loss on sale of subsidiaries		–	(295)
Other		89	278
Net cash provided by investing activities		9,382	36,097
Financing activities			
Net increase in short-term bank loans with original maturities of three months or less	34	88	187
Proceeds from long-term bank loans	34	6,971	3,436
Repayments of long-term bank loans	34	(1,680)	(6,479)
Repayments of lease obligations	34	(5,753)	(5,734)
Payments for purchase of treasury stock		(17,008)	(12,469)
Proceeds from disposal of treasury stock		0	0
Dividends paid to owners of parent	27	(5,463)	(5,073)
Dividends paid to noncontrolling interests		(107)	(100)
Payments for acquisition of interests in subsidiaries from noncontrolling interests		–	(54)
Net cash used in financing activities		(22,952)	(26,286)

(Millions of yen)

Accounts	Note	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Effect of exchange rate changes on cash and cash equivalents		(228)	1,158
Net increase(decrease) in cash and cash equivalents resulting from transfer to assets held for sale		(1,295)	1,295
Net increase(decrease) in cash and cash equivalents		(10,128)	20,751
Cash and cash equivalents at beginning of period	8	33,547	23,419
Cash and cash equivalents at end of period	8	23,419	44,170

【Notes to the consolidated financial statements】

1. Reporting entity

Wacoal Holdings Corp. (the “Company”) is an entity located in Japan. The locations of the registered headquarters and principal offices of the Company are disclosed at the website (URL https://www.wacoalholdings.jp/en/).

The Company’s consolidated financial statements consist of financial statements for the Company and its subsidiaries (hereinafter collectively the “Group”) and its interests in the Company’s associates and joint ventures.

The Group engages in manufacturing and sales of innerwear (foundation garments and lingerie and nightwear), outerwear, sportswear, and other textile products and related products (“Products”), wholesale, and retail to consumers for products. See Note 6. Segment Information for detailed information.

2. Basis of preparation of consolidated financial statements

(1) Matters on compliance with IFRS Accounting Standards

The consolidated financial statements of the Group meet the requirements of “Specified Company Complying with Designated International Accounting Standards” set forth in Article 1-2 of the Regulation on Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976, the “Regulation”) and have been prepared in compliance with IFRS Accounting Standards as stipulated in Article 312 of the Regulation.

(2) Basis of measurement

The Group’s consolidated financial statements are prepared by using a historical cost basis except for the items in Note 3. Material Accounting Policies.

(3) Functional currency and presentation currency

The consolidated financial statements are presented in Japanese yen, which is the Group’s functional currency. Amounts are rounded to the nearest million yen.

3. Significant Accounting Policies

(1) Basis of Consolidation

1. Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group considers that it has control over an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

As a general rule, financial statements of the subsidiaries are included in the Company’s consolidated financial statements from the date on which we obtained control of the subsidiaries until the date on which we lose control.

In cases where the accounting policies applied by a subsidiary are different from those applied by the Group, adjustments are made to the subsidiary’s financial statements, if necessary. All intragroup balances of receivables and payables and transactions as well as unrealized gains or losses arising from intragroup transactions are eliminated in preparation of the consolidated financial statements.

Comprehensive income of subsidiaries is attributed to owners of parent and to noncontrolling interests even if this results in the noncontrolling interests having a deficit balance.

Changes in the Company’s ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Any difference between the adjustment to the noncontrolling interests and the fair value of the consideration is recognized directly in equity attributable to owners of parent.

If the Company loses control over a subsidiary, any resulting gains or losses shall be recognized in profit or loss.

Subsidiaries whose fiscal year-end is different from the Company’s fiscal year-end are consolidated based on their provisional financial statements as of the fiscal year-end.

2. Associates and joint ventures

Associates are entities over which the Group has a significant influence over the decisions on financial and operating policy decisions but do not have control or joint control of those policies. If the Group directly or indirectly holds 20% or more or less than 50% of the voting rights of the entity, it is presumed that the Company has significant influence over the entity unless it can be clearly demonstrated that this is not the case.

Joint ventures are joint arrangements whereby the parties, including the Group, have rights to the net assets of the entity in accordance with the arrangements for joint control of the arrangements. Joint arrangements are arrangements in which two or more parties have joint control, and joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method from the date when the investees are determined as associates or joint ventures until the date that they cease to be classified as associates or joint ventures. When an entity no longer meets the criteria for an associate or joint venture and the application of the equity method is discontinued, the investment retained after the discontinuation of the equity method is re-measured at fair value, and any gains or losses arising from such re-measurement are recognized in profit or loss, unless the entity meets the criteria for a subsidiary.

If there is any objective evidence of impairment on investments in associates or joint ventures, the Company conducts impairment tests on those investments as one asset group.

(2) Foreign currency translation

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currencies of each entity of the Group at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into the functional currencies at the exchange rates at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies to be measured at fair value are translated into the functional currencies at the exchange rates on the date when the fair value is measured.

Exchange differences arising from translation or settlement are recognized in profit or loss. However, exchange differences arising from the translation of financial assets measured at fair value through other comprehensive income hedges are recognized in other comprehensive incomes.

2. Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rates at the end of the reporting period, whereas income and expenses are translated using the average exchange rate during the period unless there are significant fluctuations in the exchange rates. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When we dispose of a foreign operation, the cumulative amount of the exchange differences is recognized in profit or loss.

(3) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and highly liquid short-term investments with original maturities of three months or less that are readily convertible to cash and are subject to insignificant risk of changes in value.

(4) Inventories

The cost of the inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and conditions.

Inventories are stated at the lower 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.

(5) Property, plant and equipment

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.

For measurement after recognition, the cost model is adopted, and an item of property, plant and equipment are carried at cost less any accumulated depreciation and any accumulated impairment charges.

Depreciation expense for each asset, excluding assets such as land that are not subject to depreciation is recognized on a straight-line method over the estimated useful lives of the respective assets.

The estimated useful lives are as follows:

- Buildings and structures 2 to 50 years (Mainly 38 years)
- Machinery and vehicles, Tools, furniture and fixtures2 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.

Gains or losses incurred from derecognition of property, plant and equipment are included in profit or loss at the time of derecognition of such asset.

(6) Leases

The Group initially measures right-of-use assets at the lease commencement date. The cost of right-of-use assets comprises the total amount of the initial measurement of the lease liability, any lease payments made at or before the lease commencement date less any lease incentives received, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset. Right-of-use assets are depreciated on a straight-line basis over the useful life or lease term, whichever is shorter.

A lease liability is initially measured at present value of the future lease payments that will be paid over the lease term after the lease commencement date. Lease payments consist of fixed and variable lease payments for the right to use the underlying asset during the lease term that have not been paid at the commencement date.

In calculating the present value of the total lease payments, the interest rate implicit in the lease is used as the discount rate if such rate can be readily determined. If such rate cannot be readily determined, the lessee's incremental borrowing rate is used.

The lessee's incremental borrowing rate is affected by tenor, currency, and lease commencement date. It is determined based on various inputs, such as a risk-free rate based on government bond yields, adjustment for country risk, adjustment for credit risk based on corporate bond yields, and company-specific adjustments where the risk profile of a company is different from the Group's risk profile.

Subsequent to initial recognition, right-of-use assets are measured based on the cost model, at cost less accumulated depreciation and impairment charges. Remeasurement of lease liabilities is also reflected in the measurement of right-of-lease assets. Depreciation for right-of-use assets has been classified as Cost of sales or selling, general and administrative expenses in the Consolidated Statement of Profit or Loss. Lease liabilities have been increased by interest which are related to lease liabilities and decreased by lease payment. Moreover, lease liabilities are remeasured when their terms and conditions have been modified.

However, no right-of use asset or lease liability is recognized for either short-term leases or leases for which the underlying asset is of low value. The total lease payments associated with those leases are recognized as an expense on either a straight-line basis over the lease term or another systematic basis.

As for transactions as a lessor, the Group classifies them as either a finance lease or an operating lease based on the degree of transfer of risks and rewards.

In a finance lease transaction, an amount of net lease investment receivable is recognized as receivable on the lease commencement date.

In an operating lease transaction, an underlying asset is recognized in the consolidated statements of financial position and lease payments received are recognized as income by using the straight-line method over the lease period in the consolidated statement of profit or loss.

(7) Goodwill and Intangible assets

1. Goodwill

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

Goodwill is not amortized and is tested for impairment at least annually, or whenever there is an indication of impairment.

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

Goodwill is valued at acquisition cost less, accumulated impairment charges in the consolidated statement of financial position.

2. Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. Intangible assets acquired in a business combination are measured at fair value as of the acquisition date.

Measurement after initial recognition is made using the cost model and is valued at acquisition cost less accumulated amortization and accumulated impairment charges.

All expenses for internally generated intangible assets are charged to expense in the period in which they are incurred, except for development costs that qualify 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 to 25 years (mainly 25 years)
- Customer-related intangible assets 12 years
- Software 5 years

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

We consider that trademark right and paintings have indefinite useful lives because they can be used continuously as we continue our business.

Intangible assets with indefinite useful lives are measured at cost, less accumulated impairment charges.

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

(8) Investment Property

Investment properties are properties held to earn rentals or for capital appreciation or both.

The cost model is used for the measurement after recognition of an investment property, which is valued at cost less accumulated depreciation and accumulated impairment charges.

When it is practically difficult to distinguish between investment property and owner-occupied property, and the portion of owner-occupied part is insignificant, we regard the whole property as an investment property.

Depreciation of each asset other than land is calculated based on a straight-line method over the respective estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each fiscal year. If any changes are made, the changes are applied prospectively as changes in accounting estimates.

Investment property is derecognized at the time of disposal or when the investment property is no longer permanently used and no future economic benefits from the disposal are expected. Any gain or loss arising from derecognition of the investment property, which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss at the time of derecognition.

(9) Financial instruments

1. Financial assets

(i) 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 transaction date when it becomes 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 our 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 outstanding amount.

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

(ii) 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 incomes are recognized in other comprehensive incomes. Dividends from such financial assets are recognized as part of investing income in profit or loss for the current fiscal year.

(iii) Derecognition of financial assets

The Group recognizes financial assets when the contractual rights to the cash flows expire, or when we transfer 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.

(iv) Impairment of financial assets

For financial assets measured at amortized cost, we recognize 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 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. Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are either classified as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost, and this classification is determined at the time of initial recognition.

The Group initially recognizes debt securities issued by us as of such issuance date. All the other financial liabilities are recognized as of the transaction date in which the Group becomes a contracting party of such financial instruments.

All financial liabilities are initially measured at fair value, but financial liabilities measured at amortized cost are measured using the amount obtained after deducting directly attributable transaction costs.

(ii) Subsequent measurement

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

(a) Financial liabilities measured at fair value

For measurements made after the initial recognition of a financial liability, any financial liabilities measured at fair value through profit or loss include financial liabilities held for trading purposes and financial liabilities specified at the time of initial recognition as measured at fair value through profit or loss. Changes in fair value of financial liabilities measured at fair value are recognized in profit or loss.

(b) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured using the effective interest method after initial recognition. Amortization under the effective interest method and gains or losses on derecognition are recognized as part of finance expenses in profit or loss for the current fiscal year.

(ⅲ) Derecognition of financial liabilities

The Group recognizes financial liabilities when they are extinguished, (i.e., when the obligations specified in the contract are discharged or cancelled or expired.)

3. Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Group currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4. Derivatives and hedge accounting

The Group uses derivatives such as foreign currency forward exchange contracts and interest rate swap contracts to hedge currency risks and interest rate risks. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into, and after initial recognition, they are remeasured at fair value.

Changes in fair value of derivatives measured at fair value are recognized in profit or loss. The hedge accounting was not applied to derivatives.

(10) Employee benefits

For short-term employee benefits obligations, no discount calculation is made, and expenses are recorded when employees have rendered related services.

For bonuses and paid leave expenses, the Group has legal or presumptive obligations to pay them and recognizes as liabilities the amount estimated to be paid based on those plans if reliable estimates are possible.

Long-term employee benefits other than post-employment benefits are determined by discounting to the present value the future benefits that employees have earned in return of their services rendered in the current and prior fiscal years.

The company and certain subsidiaries have adopted defined benefit plans and defined contribution plans as post-employment benefit plans.

The Group calculates the present value of defined benefit obligations and related current service cost as well as past service cost 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 have rendered related service.

(11) Income tax

Income tax is composed of current tax and deferred tax.

Current tax is determined with the amount expected to be paid to or refunded by the tax authorities. The determination of the tax amount is based on the tax rate and tax laws that are enacted, or are substantively enacted, by the closing date of the reporting period. Current tax is recognized as a profit or loss excluding items relating to items recognized as other comprehensive income or direct equity.

Deferred tax is recognized based on temporary differences between the accounting carrying amount and the taxable amount of assets and liabilities. Deferred tax assets are recognized to the extent that it is expected that taxable profits will be available against which deductible temporary differences, unused tax credits carried forward and tax losses carried forward can be utilized. In principle, deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets or liabilities are not recognized for the following cases:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences on the initial recognition of assets or liabilities arising from a transaction other than a business combination that affects neither accounting profit nor taxable profit.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future, or when it is not probable that there will be sufficient taxable profits against which the deductible temporary differences can be utilized.
- Taxable temporary differences associated with investments in subsidiaries and associates when the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured by estimating the statutory effective tax rate expected to be applied in the period in which the assets are generated or liabilities are settled, based on the tax rate enacted or substantially enacted at end of the fiscal year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities, and deferred tax assets and liabilities are related to income taxes levied on the same taxable entity by the same tax authority.

If an uncertain tax position of income tax being recognized is highly possible, a reasonable estimated amount is recognized as an asset or liability.

(12) 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 flow at a pretax 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.

(13) Revenue Recognition

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 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.

(14) Government Grants

Government grants are recognized at fair value when the conditions attached to them are met and there is reasonable assurance that the grants will be received.

Government grants related to assets are subtracted when calculating the amount of assets carrying.

Government grants related to expenses are recognized in profit or loss on a periodical basis over the periods in which the related costs that are intended to be compensated by the grants are recognized as expenses.

There are no major unfulfilled conditions or contingencies related to these grants.

(15) Shared-Based Compensation

The Company had adopted an equity-settled stock option plan. Due to the introduction of a restricted stock compensation plan, the stock option plan was abolished except for the options already granted.

The Company has adopted a restricted stock compensation plan as an equity-settled share-based compensation plan from the fiscal year ended March 31, 2022. The consideration for services received is measured at fair value of the Company's shares at the grant date and is recognized as expense in profit or loss together with a corresponding increase in equity.

(16) Impairment of non-financial assets

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 a CGU is the higher of its value in use or its fair value less costs of disposal. When calculating value in use, estimated future cash flows are discounted to present value using pre-tax discount rate that reflects the time value of money and risks inherent in the asset. Assets that are not tested individually for impairment are consolidated into the smallest CGU which generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets through continuous use. When testing goodwill for impairment, the CGU to which goodwill is allocated is consolidated, so that impairment is tested to reflect the lowest level the goodwill relates is monitored for internal management purposes. Goodwill acquired in a business combination is allocated to a CGU that is expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is any indication that a corporate asset may be impaired, recoverable amount is determined for CGU to which the corporate asset belongs.

If the carrying amount of an asset or a CGU exceeds the recoverable amount, an impairment charges is recognized in profit or loss for the period. Impairment charges 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 charge related to goodwill cannot be reversed in future periods. Previously recognized impairment charges 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 charge is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment charge 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 charge been recognized for the asset in prior years.

(17) Earnings Per Share

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent by the weighted average number of shares of common stock outstanding during the period, adjusted for treasury stock held. Diluted earnings per share are calculated by adjusting for the effects of all potential dilutive common stocks.

(18) Business Combination

The acquiree's identifiable assets acquired, and liabilities assumed are recognized, in principle, at their fair values at the acquisition date.

Goodwill is recognized as the excess of the sum of the consideration transferred as a result of business combination, the amount of any noncontrolling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree, over the net of the amounts of the identifiable assets and liabilities at the acquisition date. Conversely, any bargain purchase is immediately recognized in profit or loss.

The consideration transferred is measured as the sum of the fair values of the assets transferred, the liabilities assumed, and equity interests issued, which include fair value of assets and liabilities resulting from a contingent consideration arrangement. Acquisition-related costs incurred for business combinations are expensed as incurred. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

(19) Segment Information

An operating segment is a component of business activities from which the Group earns sales and incur expenses, including transactions with other operating segments. The operating results of all operating segments for which separate financial information is available are regularly reviewed by the Board of Directors of the Company in order to decide the allocation of management resources to each segment and to assess its performance.

(20) Assets Held for Sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This is conditional on the fact that the sale is highly probable, and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management needs to be committed to the sale which should be expected to be completed within one year from the date of classification.

Non-current assets (or disposable groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell and are not depreciated or amortized after their classification as such.

(21) Treasury stock

Treasury stock is recognized at acquisition cost, which is deducted from equity. No gain or loss is recognized on the purchase, disposal or cancellation of the Company's treasury stock. Any difference between the carrying amount and the consideration given is recognized in equity.

4. Significant Accounting Estimates and Judgments

The Group's consolidated financial statements are prepared with certain estimates and assumptions made by management in relation to the measurement of revenues and expenses, as well as assets and liabilities. Those estimates and assumptions are based on management's best judgment that take into consideration various factors that are considered reasonable based on past track records and as of fiscal year-end. Actual results could differ from those estimates and assumptions.

These estimates and underlying assumptions are reviewed on an ongoing basis. The impact of a revision is recognized in the accounting period in which the review was conducted and in future accounting periods.

Accounting estimates and judgments made by management that may have a material effect on the consolidated financial statements are as follows.

The following is a list of items which have been recognized in an amount based on accounting estimates in the consolidated financial statements for the current fiscal year and may have a material effect on the consolidated financial statements for the next fiscal year.

(1) Impairment of goodwill

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Goodwill allocated to Wacoal Europe Ltd. Group	15,199	15,497

Impairment tests on goodwill are performed by comparing the carrying amount and the recoverable amount of the groups of cash-generating units ("CGU group "). If the carrying amount exceeds the recoverable amount, an impairment charge is recognized in profit or loss for the period. The recoverable amount is the higher of the fair value less costs to dispose of the CGU group or value in use. In calculating the recoverable amount, certain assumptions are made regarding 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.

See Note 15. Goodwill and Intangible Asset for further information about measurement of recoverable amount.

5. Unapplied Issued Standards and Interpretations

The following new or revised standards and interpretations were issued by the date of approval of the consolidated financial statements. The impact of applying these new or revised standards and interpretations on the Group's consolidated financial statements is under evaluation.

Standards	Standards name	Mandatory application period (Fiscal year starting after)	Application period for the Group	Overview of new and revised standards
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	・Improved comparability in the statement of profit or loss (income statement) ・Enhanced transparency of management-defined performance measures (MPMs) ・More useful grouping of information in the financial statements

6. Segment Information

(1) Overview of reportable segments

The Group has three reportable segments: “Wacoal Business (Domestic),” “Wacoal Business (Overseas),” and “Peach John Business.” These segments represent components of the Company for which separate financial information is available and which are reviewed regularly by the Board of Directors in deciding how to allocate the Group’s management resources and in assessing their performance.

The main products manufactured and sold by each reportable segment are as follows:

Reportable segments	Main products
Wacoal Business (Domestic)	innerwear (consisting of foundation, lingerie and nightwear), outerwear, sportswear or other textile-related products
Wacoal Business (Overseas)	innerwear (consisting of foundation, lingerie and nightwear), outerwear, sportswear or other textile-related products
Peach John Business	innerwear (consisting of foundation, lingerie and nightwear), or other textile-related products

(2) Information on reportable segment

The accounting policies used for these reportable segments are the same as those described in the summary of significant accounting policies in Note 3.

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 3)	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers (Note 2)	87,828	67,237	10,469	165,534	8,362	–	173,896
Intersegment	420	12,183	140	12,743	3,347	(16,090)	–
Total	88,248	79,420	10,609	178,277	11,709	(16,090)	173,896
Segment profit (loss) (Note 4)	2,970	419	(266)	3,123	165	–	3,288
Segment assets	223,859	105,720	12,378	341,957	3,516	(72,728)	272,745
Other items							
Depreciation and amortization	6,029	4,455	1,261	11,745	117	–	11,862
Impairment charges	2,290	29	50	2,369	–	–	2,369
Impairment charges of Investments accounted for using the equity method	15	–	–	15	–	–	15
Capital expenditures	2,115	1,073	505	3,693	182	–	3,875

(Notes) 1. The “Other” category consists of business segments not included in the reportable segments. The main revenue consists of innerwear (foundation, lingerie), outerwear, sportswear, and other textile-related products.
2. Revenue to external customers consists of revenue from contracts with customers and the other revenue which is mainly composed of operating lease income as lessor.
3. Adjustments include intersegment elimination.
4. The aggregated amount of segment profit (loss) is equal to operating profit presented in the consolidated statement of profit or loss.
Refer to the consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
5. Intersegment sales and transfers are accounted at cost plus a markup.

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 3)	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers (Note 2)	87,723	68,468	11,144	167,335	4,175	—	171,510
Intersegment	504	12,143	235	12,882	2,077	(14,959)	—
Total	88,227	80,611	11,379	180,217	6,252	(14,959)	171,510
Segment profit (Note 4)	18,791	488	149	19,428	449	—	19,877
Segment assets	237,129	114,608	12,247	363,984	3,856	(75,525)	292,315
Other items							
Depreciation and amortization	5,033	4,656	1,113	10,802	367	—	11,169
Impairment charges	144	1,030	10	1,184	6	—	1,190
Impairment charges of Investments accounted for using the equity method	2,054	—	—	2,054	—	—	2,054
Capital expenditures	2,980	1,094	54	4,128	1	—	4,129

(Notes) 1. The “Other” category consists of business segments not included in the reportable segments. The main revenue consists of innerwear (foundation, lingerie), outerwear, sportswear, and others.
2. Revenue to external customers consists of revenue from contracts with customers and the other revenue.
3. Adjustments include intersegment elimination.
4. The aggregated amount of segment profit is equal to operating profit presented in the consolidated statement of profit or loss.
Refer to the consolidated statement of profit or loss for the reconciliation of operating profit to profit before income taxes.
5. Intersegment sales and transfers are accounted at cost plus a markup.

(3) Information on products and services

Sales to external customers by products and services are as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Innerwear:		
Foundation and lingerie	141,634	140,468
Nightwear	6,401	6,082
Children's underwear	613	559
Subtotal	148,648	147,109
Outerwear/sportswear and others	14,369	15,620
Hosiery	1,471	1,513
Other textile goods and related products	5,587	4,291
Others	3,821	2,977
Total	173,896	171,510

(4) Information on geographical areas

Sales to customers and non-current assets by region are as follows:

Sales to external customers

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Japan	105,560	101,953
Asia and Oceania	20,046	17,590
Americas and Europe	48,290	51,967
Total	173,896	171,510

(Notes) 1. Sales are attributed to countries or areas based on the location of consolidated subsidiaries.

2. In the region of "Americas and Europe," sales in the United States during the previous and current fiscal year were 30,175 million yen and 28,087 million yen, respectively, sales in the United Kingdom during the previous and current fiscal year were 11,578 million yen and 16,442 million yen, respectively.

Non-current assets

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Japan	47,031	38,153
Asia and Oceania	5,423	5,283
Americas and Europe	33,034	32,559
Total	85,488	75,995

(Notes) 1. Non-current assets are classified by region based on the location of the assets and do not include financial instruments, deferred tax assets, nor net defined benefit assets.

2. In the region of "Americas and Europe," non-current assets in United Kingdom fiscal years ended March 31, 2025 and 2026 were 24,722 million yen and 24,860 million yen, respectively.

(5) Information on major customers

This information is omitted because none of the external customers account for 10% or more of the revenue presented in the consolidated statement of profit or loss.

7. Business Combinations

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Business Combinations by Acquisition)

(1) Overview of business combination

(i) Name and business description of the Acquiree

Name: Bravissimo Group Limited

Business description: Design and sales, via directly managed high street retail shops and e-Commerce, of women's innerwear, swimwear etc.

(ii) Date of acquisition

September 26, 2024

(ⅲ) Acquired ratio of holding capital with voting rights

100%

(ⅳ) Primary reason for business combination

In the overseas business, we had been repeatedly considering the creation of new business opportunities in order to achieve steady growth in key markets in the U.K., the U.S., and China, and to transform into a highly profitable structure by optimizing the supply chain. In particular in the U.K., we have accordingly been accelerating the strengthening of our EC business and strengthening fitting service opportunities that enable consumers to experience the comfort of, or comfortability to accurately wear products, which are the source of our competitive advantage. At the same time, we are focusing on maintaining and improving our dominant position in the large-size product market, which is growing beyond the average market growth rate.

Bravissimo Group Limited ("Bravissimo Group") has a reputation for communicating with consumers both offline and online with a focus on fitting. In addition to consulting services provided by experienced salespeople at the stores, its own EC site offers support via phone, email, and live chat, as well as virtual fitting using video calls. Through these careful sales activities, many of the sales are made up of repeat customers who have purchased its products in the past.

By welcoming the Bravissimo Group as a member of our group, Wacoal Europe, which had mainly been in the wholesale business, we will be able to expand the number of directly managed retail stores that can directly approach consumers. As a result, it will be possible to analyze sales results and consumer information more quickly than ever before, thereby improving operational efficiency in the supply chain. On the contrary, we believe the Bravissimo Group will also be able to make efficient utilize of Wacoal Europe's wholesale network in order for the brand "Bravissimo" to enter the international market.

By adding the new Bravissimo brand, we believe it will not only enable Wacoal to establish a dominant position in the large-cup size market but will also strengthen the position by incorporating both of capabilities for the design, manufacture, and distribution of lingerie and swimwear in the future.

(v) Acquisition method to govern the acquired company

Cash consideration for the acquisition of shares

(2) Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

(Millions of yen)

	Amount
Fair value of consideration paid (Cash)	8,644
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	1,374
Other current assets	3,247
Right-of-use assets	1,898
Intangible assets	2,066
Other non-current assets	776
Current liabilities	(1,624)
Non-current liabilities	(2,271)
Fair value of assets acquired and liabilities assumed, net	5,466
Goodwill	3,178

(Notes) The amounts of assets acquired and liabilities assumed were provisionally calculated based on the currently available information since the allocation of the consideration of acquisition has not been completed as of March 31, 2025. Based on new information obtained by the end of the current fiscal year, the provisional fair value was adjusted. The main contents of the change were increases of 1,907 million yen in brands and 148 million yen in customer-related assets, and a decrease of 1,531 million yen in goodwill.

Acquisition-related expenses of 309 million yen related to this business combination are included in selling, general, and administrative expenses in the consolidated statement of profit or loss.

Goodwill generated from this business combination was attributable to the Wacoal Business (Overseas) segment. Goodwill primarily represented the excess earning power expected from the acquisition.
None of goodwill is expected to be deductible for tax purposes.

(3) Cash flow associated with the acquisition

(Millions of yen)

	Amount
Cash and cash equivalents spent on the acquisition	8,644
Cash and cash equivalents held by the acquiree at the time of acquisition	(1,374)
Payments for acquisition of subsidiaries	7,270

(Note) Due to adjustments to the acquisition consideration in the current fiscal year resulted in changes in expenditures for the acquisition of subsidiaries.

(4) Impact on the Business Performance

Sales and loss generated by Bravissimo Group since the acquisition date amounted to 4,641 million yen and 673 million yen, respectively. Assuming the business combination had been conducted at the beginning of the period, the pro-forma information for the year ended March 31, 2025 would have been 180,185 million yen in sales and 7,490 million yen in profit for the period. The amounts are unaudited by the independent auditor.

Current fiscal year (From April 1, 2025 to March 31, 2026)

(Finalization of Provisional Accounting Treatment for Business Combinations)

With regard to the business combination with Bravissimo Group Limited that took place in September 26, 2024, our Group had applied provisional accounting treatment during the previous consolidated fiscal year because the allocation of the purchase price had not been completed; however, the allocation of the purchase price was completed during the current consolidated fiscal year.

Fair value of consideration paid, assets acquired, and liabilities assumed as of the acquisition date

(Millions of yen)

	The provisional fair values recognized as of the end of the previous fiscal year	Subsequent revisions	Revised fair value
Fair value of consideration paid (Cash)	8,644	－	8,644
Fair value of assets acquired and liabilities assumed			
Cash and cash equivalents	1,374	－	1,374
Other current assets	3,247	(190)	3,057
Right-of-use assets	1,898	426	2,324
Intangible assets	2,066	284	2,350
Other non-current assets	776	－	776
Current liabilities	(1,624)	(170)	(1,794)
Non-current liabilities	(2,271)	(358)	(2,629)
Fair value of assets acquired and liabilities assumed, net	5,466	(8)	5,458
Goodwill	3,178	8	3,186

In conjunction with the finalization of this provisional accounting treatment, we have retroactively restated the consolidated financial statements for the previous fiscal year.

8. Cash and cash equivalents

Cash and cash equivalents are composed of the following:

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Cash and deposits	23,308	44,014
Short-term investments	111	156
Total	23,419	44,170

The balance on the consolidated statement of financial position is equal to the balance on the consolidated statement of cash flows.

9. Trade and other receivables

Trade and other receivables are composed of the following:

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Trade notes receivables	744	681
Accounts receivable-trade	15,148	16,340
Accounts receivable-other	1,308	879
Allowance for doubtful accounts	(365)	(459)
Total	16,835	17,441

Trade and other receivables are classified as financial assets measured at amortized cost.

10. Other financial assets

(1) Breakdown of other financial assets

Other financial assets are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Financial assets measured at amortized cost:		
Time deposits	1,280	1,596
Debt securities	138	87
Security deposits	3,644	3,479
Others	762	686
Financial assets measured at fair value through profit or loss		
Mutual funds	263	106
Equity securities	2,039	2,112
Derivatives	21	—
Others	140	128
Financial assets measured at fair value through other comprehensive income		
Equity securities	35,711	41,134
Others	31	31
Total	44,029	49,359
Current assets	2,007	2,061
Non-current assets	42,022	47,298
Total	44,029	49,359

(2) Financial assets measured at fair value through other comprehensive incomes

Fair value of equity financial assets measured at fair value through other comprehensive income by issue is as follows.

(Millions of yen)

Issue	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Kyoto Financial Group, Inc.	5,188	9,259
Aeon Co., Ltd.	5,801	8,747
Mitsubishi UFJ Financial Group, Inc.	5,803	7,503
HORIBA, Ltd.	2,288	4,109
THE SHIGA BANK, LTD	2,093	3,707

The Group holds equity financial assets mainly for the purpose of maintaining and enhancing business relationships and has elected to classify them as equity financial assets measured at fair value through other comprehensive income.

(3) Derecognition of financial assets measured at fair value through other comprehensive income

The Group derecognizes some of financial assets measured at fair value through other comprehensive income by selling them for the purposes of increasing asset efficiency, reviewing business relationships, and so forth.

The following is the fair values of financial assets measured at fair value through other comprehensive income when they were sold and the associated accumulated gains or losses that have been recognized as other comprehensive income during each fiscal year.

(Millions of yen)

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)		Current Fiscal Year (From April 1, 2025 to March 31, 2026)	
Fair value	Accumulated gains (losses)	Fair value	Accumulated gains (losses)
7,825	5,612	12,831	12,267

When financial assets measured at fair value through other comprehensive income are derecognized, accumulated gains or losses that have been recognized as other comprehensive income are transferred to retained earnings. Accumulated gains or losses of other comprehensive income (net of tax) that transferred to retained earnings amounted to 3,944 million yen gain and 8,602 million yen gain for the previous and current fiscal year, respectively.

The following is the breakdown of dividend income recognized from equity instruments.

(Millions of yen)

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)		Current Fiscal Year (From April 1, 2025 to March 31, 2026)	
Investments derecognized during the year	Investments held at end of the year	Investments derecognized during the year	Investments held at end of the year
196	765	204	726

11. Inventories

Inventories are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Finished products	43,717	44,446
Work in process	3,613	3,711
Raw materials	2,896	2,955
Total	50,226	51,112

Inventories recognized as expenses for the previous and current fiscal years amounted to 75,909 million yen and 73,438 million yen, respectively.

Write-downs of inventories recognized as expenses for the previous and current fiscal years were 3,197 million yen and 3,765 million yen, respectively.

12. Other assets

Other assets are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Other current assets		
Income taxes receivable	1,788	164
Return assets	693	549
Others	4,925	4,116
Total	7,406	4,829
Other non-current assets		
Capitalized supplies	41	19
Others	641	615
Total	682	634

13. Assets held for sale

The assets held for sale and liabilities directly related to assets held for sale for the fiscal year ended March 31, 2025 were 1,791 million yen and 868 million yen, respectively.

These are the assets and liabilities mainly of Lecien Corporation and its subsidiaries in relation to the Company's decision concerning a share transfer. The Company reviewed the business portfolio and classified the assets as being held for sale on account of its decision to conduct a share transfer. The said assets and liabilities are included in "other current assets" and "other current liabilities," respectively.

In addition, the said assets are included in the segment of assets of Wacoal Business (Domestic), and they are made up of cash and cash equivalents and inventories, etc. of Lecien Corporation and its subsidiaries. The said liabilities mainly consist of trade and other payables, and retirement benefit liabilities.

The said assets are measured at fair value less costs of disposal because the fair value less costs of disposal is less than the carrying amount. As a result, for the fiscal year ended March 31, 2025, an impairment charges of 1,740 million yen was recorded and included under "other expenses." Fair value hierarchy has been classified as Level 3 as the fair value was based on the transfer price agreed upon by the transferee.

The transfer was completed in April 2025.

Assets held for sale during the current consolidated fiscal year are not material and are therefore omitted.

14. Property, plant and equipment

(1) Change in property, plant and equipment

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment charges of property, plant and equipment are as follows.

Acquisition Costs

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
April 1, 2024	75,601	13,084	10,315	16,329	470	115,799
Acquisition	572	214	427	–	2,146	3,359
Acquisition through business combinations	–	–	776	–	–	776
Sales or disposal	(3,070)	(836)	(850)	(177)	–	(4,933)
Change in scope of consolidation	(1,642)	(83)	(179)	(1,150)	–	(3,054)
Transfers between accounts	853	72	354	(72)	(2,219)	(1,012)
Transfer to assets held for sale	(958)	(447)	(252)	(118)	–	(1,775)
Foreign currency translation adjustments	(82)	(43)	(5)	12	5	(113)
Others	(170)	118	23	(20)	—	(49)
March 31, 2025	71,104	12,079	10,609	14,804	402	108,998
Acquisition	298	160	458	—	1,702	2,618
Sales or disposal	(9,752)	(293)	(1,573)	(2,791)	—	(14,409)
Transfers between accounts	694	32	506	(90)	(1,502)	(360)
Foreign currency translation adjustments	947	689	723	123	24	2,506
Others	—	—	—	—	—	—
March 31, 2026	63,291	12,667	10,723	12,046	626	99,353

Accumulated Depreciation and Accumulated Impairment Charges

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
April 1, 2024	(50,767)	(10,716)	(8,775)	(63)	–	(70,321)
Depreciation	(1,782)	(549)	(760)	–	–	(3,091)
Impairment charges	(340)	(23)	(39)	(129)	–	(531)
Sales or disposal	2,800	783	716	3	–	4,302
Change in scope of consolidation	1,251	68	161	–	–	1,480
Transfer to assets held for sale	920	402	202	81	–	1,605
Foreign currency translation adjustments	70	41	16	–	–	127
Others	632	16	(11)	46	–	683
March 31, 2025	(47,216)	(9,978)	(8,490)	(62)	–	(65,746)
Depreciation	(1,410)	(530)	(933)	–	–	(2,873)
Impairment charges	(100)	–	(9)	–	–	(109)
Sales or disposal	4,739	282	1,349	–	–	6,370
Foreign currency translation adjustments	(590)	(576)	(602)	–	–	(1,768)
Others	–	–	1	62	–	63
March 31, 2026	(44,577)	(10,802)	(8,684)	–	–	(64,063)

(Note) The depreciation expense for property, plant, and equipment is included in cost of sales as well as in selling, general, and administrative expenses in the consolidated statement of profit or loss.

Balances of Carrying Amount

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
April 1, 2024	24,834	2,368	1,540	16,266	470	45,478
March 31, 2025	23,888	2,101	2,119	14,742	402	43,252
March 31, 2026	18,714	1,865	2,039	12,046	626	35,290

(2) Impairment charges

Property, plant and equipment are classified into asset groups based on cash-generating units, which are the smallest identifiable groups of assets generating cash flows that are largely independent of cash inflows from other assets or groups of assets.

Impairment charges are included in other expenses in the consolidated statement of profit or loss. Major impairment charges recognized in the year ended March 31, 2025 were as follows.

The carrying amounts of Wacoal Corp.'s land (129 million yen), buildings and structures (289 million yen), machinery and vehicles (23 million yen), tools (11 million yen), furniture and fixtures and right-of-use assets (59 million yen) under the Wacoal Business (Domestic) were subject to the recording of an impairment charge of 511 million yen. Among the impairment charge recorded, 389 million yen was recognized when the carrying values were reduced to fair value less costs of disposal as a result of the transfer of a sewing factory and the suspension of operations as part of the consolidation and reorganization of production sites of domestic manufacturing subsidiaries. Furthermore, the fair value less costs of disposal that formed the basis of this calculation was calculated using methods deemed appropriate by the corporate managers such as using the appraisal value of the said assets or market prices. The fair value hierarchy of the calculated fair value is classified as Level 3. In addition, 122 million yen was recognized when the value in use was assessed at zero given that the future cash flows were expected due to sluggish sales.

The carrying amounts of the buildings and structures under the Wacoal Business (Overseas), 29 million yen, were written down to their fair values less costs of disposal, resulting in the recognition of an impairment charges of 29 million yen. The impairment was mainly caused by a downturn in sales.

In the Peach John Business Segment, the carrying amounts of 22 million yen for buildings and structures, and 28 million yen for tools, furniture and fixtures were fully impaired. The impairment was mainly caused by a downturn in sales. The recoverable amount was measured at the value in use, and the amount was assessed at zero given that the future cash flows were expected.

Major impairment charges recognized in the year ended March 31, 2026 were as follows.

The carrying amounts of Wacoal Corp.'s buildings and structures (62 million yen), tools, furniture and fixtures (8 million yen) and right-of-use assets (74 million yen) under the Wacoal Business (Domestic) were subject to the recording of an impairment charge of 144 million yen. The impairment was mainly caused by a downturn in sales. The recoverable amount was measured at the value in use and the amount was assessed at zero given that the future cash flows were expected.

The carrying amounts of the buildings and structures under the Wacoal Business (Overseas), 24 million yen, were written down to their fair values less costs of disposal. Recoverable amount is measured as fair value less disposal costs, and the primary cause of the impairment is sluggish sales.

The carrying amounts of the buildings and structures under the Peach John Business Segment, 10 million yen, were written down to their fair values less costs of disposal. The impairment was mainly caused by a downturn in sales. The recoverable amount was measured at the value in use, and the amount was assessed at zero given that the future cash flows were expected.

The carrying amounts of Other Segment buildings and structures (4 million yen), tools, furniture and fixtures (1 million yen) and right-of-use assets (1 million yen) under the Wacoal Business (Domestic) were subject to the recording of an impairment charges of 6 million yen. The impairment was mainly caused by a downturn in sales. The recoverable amount was measured at the value in use, and the amount was assessed at zero given that the future cash flows were expected.

15. Goodwill and Intangible assets

(1) Change in goodwill and intangible assets

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment charges of goodwill and intangible asset are as follows.

Acquisition Costs

(Millions of yen)

	Goodwill	Intangible assets				
		Software	Brands	Trademarks	Others	Total
April 1, 2024	43,304	19,745	9,519	5,316	2,403	36,983
Acquisition	–	1,359	–	–	3	1,362
Acquisition through business Combinations	3,186	11	1,907	–	432	2,350
Sales or disposal	–	(2,138)	–	–	(15)	(2,153)
Change in scope of consolidation	–	(270)	–	–	(7)	(277)
Foreign currency translation adjustments	87	(6)	117	–	(9)	102
Others	–	(9)	–	–	(3)	(12)
March 31, 2025	46,577	18,692	11,543	5,316	2,804	38,355
Acquisition	–	799	–	–	4	803
Sales or disposal	–	(2,566)	–	–	(8)	(2,574)
Change in scope of consolidation	(16,030)	–	(1,523)	–	(1,146)	(2,669)
Foreign currency translation adjustments	1,871	312	904	–	68	1,284
Others	–	(3)	–	–	–	(3)
March 31, 2026	32,418	17,234	10,924	5,316	1,722	35,196

Accumulated Depreciation and Accumulated Impairment Charges

(Millions of yen)

	Goodwill	Intangible assets				
		Software	Brands	Trademarks	Others	Total
April 1, 2024	(31,499)	(13,084)	(5,822)	(4,827)	(1,360)	(25,093)
Amortization	–	(2,599)	(429)	–	(18)	(3,046)
Impairment charges	–	(39)	–	–	–	(39)
Sales or disposal	–	1,913	–	–	3	1,916
Change in scope of consolidation	–	229	–	–	–	229
Foreign currency translation adjustments	121	12	(36)	–	15	(9)
Others	–	9	–	–	1	10
March 31, 2025	(31,378)	(13,559)	(6,287)	(4,827)	(1,359)	(26,032)
Amortization	–	(2,021)	(922)	–	(39)	(2,982)
Impairment charges	(1,006)	–	–	–	–	–
Sales or disposal	–	2,556	–	–	6	2,562
Change in scope of consolidation	16,030	–	1,523	–	1,146	2,669
Foreign currency translation adjustments	(567)	(270)	(50)	–	(32)	(352)
Others	–	–	–	–	–	–
March 31, 2026	(16,921)	(13,294)	(5,736)	(4,827)	(278)	(24,135)

(Note) The amortization expense for intangible assets is included in cost of sales as well as in selling, general, and administrative expenses in the consolidated statement of profit or loss.

Balances of Carrying Amount

(Millions of yen)

	Goodwill	Intangible assets				
		Software	Brands	Trademarks	Others	Total
April 1, 2024	11,805	6,661	3,697	489	1,043	11,890
March 31, 2025	15,199	5,133	5,256	489	1,445	12,323
March 31, 2026	15,497	3,940	5,188	489	1,444	11,061

The expenditures for the research and development activities expensed during the previous and current fiscal year were 361 million yen and 574 million yen, respectively, which are included in cost of sales as well as in selling, general, and administrative expenses in the consolidated statement of profit or loss.

(2) Intangible assets with indefinite useful lives

The amount of intangible assets with indefinite useful lives for fiscal years ended March 31, 2025 and 2026 were 1,509 million yen and 1,507 million yen, respectively. These mainly consist of the trademark of Peach John recognized when the Company purchased the Peach John. The Company considers that trademarks have indefinite useful lives because they can be used continuously as the Company continues its business.

(3) Impairment of goodwill and intangible assets with indefinite useful lives

Goodwill acquired in business combinations is allocated to a CGU group that is expected to benefit from the business combinations.

Carrying amounts of the goodwill by CGU group are as follows.

(Millions of yen)

Reportable Segments	Cash-generating units	Goodwill	
		Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Wacoal Business (Overseas)	Wacoal Europe Ltd. Group	15,199	15,497

Carrying amounts of the intangible assets with indefinite useful lives allocated to a CGU group are as follows.

(Millions of yen)

Reportable Segments	Cash-generating units	Intangible assets with indefinite useful lives	
		Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Peach John Business	Peach John Co., Ltd. Group	489	489

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, as well as whenever there is any indication of impairment.

Impairment charges are included in other expenses in the consolidated statement of profit or loss.

Present value of future cash flows used to calculate the recoverable amount were based on a five-year business plan approved by management reflecting the average long term growth rate in the relevant market and a pretax discount rate of 13.8%, (13.9% in the previous fiscal year) based on the pre-tax weighted average cost of capital of the relevant group of CGU. The plan includes significant assumptions such as the possibility of achievement of expected sales volumes and market growth rate in the regions where we operate. In calculating the terminal value beyond the period of the business plan, the long-term average growth rate in the industry or country to which the CGU belongs is taken into consideration. The long-term average growth rate was 2.0% (2.0% in the previous fiscal year), and it was within a range of industry or countries.

The recoverable amount of the Wacoal Europe Ltd. Group was calculated by measuring value in use and measured at Level 3 fair value. As a result of the impairment test as of the end of March 31, 2026, goodwill was written down to their recoverable amount resulting in an impairment charges of 1,006 million yen. This is due to slowing growth in our main sales channels and pressure on profit margins resulting from increased selling, general, and administrative expenses caused by U.S. tariffs and inflation.

Other than the above CGU groups, since the recoverable amount is well above the carrying amount, we have concluded that even if the discount rate and the sales used for calculating the recoverable amount change within a reasonable range of values, it would not be probable that a material impairment would be recorded.

16. Investment Property

(1) Change in investment property

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment charges of investment property are as follows.

Acquisition Costs

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Balance as of the beginning of the year	5,805	3,306
Acquisition	–	4
Sales or disposal	(3,150)	(50)
Transfers between accounts	651	(389)
Balance at the end of the year	3,306	2,871

Accumulated Depreciation and Accumulated Impairment Charges

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Balance as of the beginning of the year	(2,966)	(1,672)
Depreciation	(6)	(1)
Sales or disposal	1,898	5
Transfers between accounts	(598)	398
Balance at the end of the year	(1,672)	(1,270)

Carrying amounts and fair value of the investment property are as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)		Current Fiscal Year (March 31, 2026)	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment Property	1,634	2,101	1,601	2,033

The fair value of investment property is determined based on a valuation conducted by an external real estate appraiser. The valuation is made in accordance with the appraisal standards of the country where the investment property is located and based on market evidence of transaction prices for similar assets.

The fair value hierarchy of investment property is classified as Level 3 since unobservable inputs are included. See Note 36. Financial Instruments for detailed information of fair value hierarchy.

(2) Incomes and expenses from investment property

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Rent income	109	74
Direct operating expenses	(17)	(19)

Rent income and direct operating expenses incurred from investment property is included in other income and other expenses in the consolidated statement of profit or loss respectively.

The direct operating expenses arising from the investment property that does not generate rental income are immaterial.

17. Investments accounted for using equity method

(1) Investments in associates

The carrying amount of investments in individually immaterial associates is as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Carrying amount	5,156	5,729

Equity share in comprehensive income of individually immaterial associates is as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit	281	312
Other comprehensive income	(433)	496
Comprehensive income	(152)	808

In the previous fiscal year, the Group reduced the carrying amount of its investments accounted for using the equity method to their recoverable amount because the Group considered that there was objective evidence of impairment due to a decline in the share price of certain investments included in the Wacoal Business (Overseas). Such recoverable amount is measured at Level 1 fair value. As a result, an impairment charges of 172 million yen was recognized.

(2) Investments in joint ventures

The carrying amount of investments in individually immaterial joint ventures is as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Carrying amount	14,908	14,058

Equity share in comprehensive income of individually immaterial joint ventures is as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit	547	228
Other comprehensive income	174	387
Comprehensive income	721	615

In the previous fiscal year, the Group reduced the carrying amount of its investments accounted for using the equity method to their recoverable amount because the Group considered that there was objective evidence of impairment due to a decline in the share price of certain investments included in the Wacoal Business (Overseas). Such recoverable amount is measured at Level 1 fair value. As a result, an impairment charges of 1,882 million yen was recognized.

No individually material associates or joint ventures exist in the Group.

18. Income taxes

(1) Deferred tax assets and deferred tax liabilities

The breakdown of major factors for deferred tax assets and deferred tax liabilities and changes in these assets and liabilities are as follows:

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	April 1, 2024	Amounts recognized through profit or loss	Amounts recognized through other comprehensive income	Business combination	Others	March 31, 2025
Deferred tax assets						
Accrued bonuses	664	(139)	–	–	–	525
Accrued payables	1,155	(725)	–	–	–	430
Inventory valuation	1,901	(608)	–	–	–	1,293
Refund liabilities	397	21	–	–	–	418
Accrued vacation	621	(27)	–	–	–	594
Retirement benefit liabilities	425	(42)	(17)	–	–	366
Excess depreciation and impairment charge	2,161	133	–	–	–	2,294
Tax loss carryforwards	1,553	3,722	–	–	(14)	5,261
Investments in subsidiaries	29	(29)	–	–	–	–
Lease liabilities	3,048	(100)	–	633	(86)	3,495
Other	1,445	928	–	–	–	2,373
Total	13,399	3,134	(17)	633	(100)	17,049
Deferred tax liabilities						
Undistributed earnings of associated companies	3,145	(258)	–	–	(11)	2,876
Other financial assets	11,570	167	(1,132)	–	(1,798)	8,807
Reserve for tax purpose reduction entry of non-current assets	2,205	(46)	–	–	(91)	2,068
Intangible assets	1,084	(65)	–	585	–	1,604
Retirement benefit assets	4,993	363	(176)	–	(1)	5,179
Right-of-use assets	2,896	5	–	581	(86)	3,396
Other	445	(1)	–	(19)	–	425
Total	26,338	165	(1,308)	1,147	(1,987)	24,355

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	April 1, 2025	Amounts recognized through profit or loss	Amounts recognized through other comprehensive income	Business combination	Others	March 31, 2026
Deferred tax assets						
Accrued bonuses	525	(193)	—	—	—	332
Accrued payables	430	45	—	—	—	475
Inventory valuation	1,293	(143)	—	—	—	1,150
Refund liabilities	418	(54)	—	—	—	364
Accrued vacation	594	5	—	—	—	599
Retirement benefit liabilities	366	(45)	—	—	—	321
Excess depreciation and impairment charge	2,294	(922)	—	—	—	1,372
Tax loss carryforwards	5,261	(157)	—	—	—	5,104
Investments in subsidiaries	—	—	—	—	—	—
Lease liabilities	3,495	(251)	—	—	—	3,244
Other	2,373	(845)	—	—	—	1,528
Total	17,049	(2,560)	—	—	—	14,489
Deferred tax liabilities						
Undistributed earnings of associated companies	2,876	217	—	—	—	3,093
Other financial assets	8,807	60	5,652	—	(3,812)	10,707
Reserve for tax purpose reduction entry of non-current assets	2,068	(861)	—	—	—	1,207
Intangible assets	1,604	(18)	—	—	—	1,586
Retirement benefit assets	5,179	89	1,124	—	—	6,392
Right-of-use assets	3,396	(278)	—	—	—	3,118
Other	425	(36)	—	—	—	389
Total	24,355	(827)	6,776	—	(3,812)	26,492

(Note) The difference between deferred income tax expenses and the amounts recognized through profit or loss is due to the fluctuation of exchange rate changes.

The amount of deductible temporary differences and unused tax losses for which deferred tax assets are not recognized are as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Deductible temporary differences	27,354	31,256
Unused tax losses	15,606	16,574
Total	42,960	47,830

Unused tax losses for which deferred tax assets are not recognized will expire as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
During the first year	1,015	1,248
During the second year	1,363	1,458
During the third year	976	1,889
During the fourth year	2,198	2,906
During the fifth year or beyond	10,054	9,073
Total	15,606	16,574

The aggregate amounts of temporary differences relating to investments in associates for which deferred tax liabilities are not recognized for fiscal years ended March 31, 2025 and 2026 were 18,935 million yen and 25,892 million yen, respectively. The above deferred tax liabilities are not recognized since it is possible for the Group to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not be reversed in foreseeable periods.

Deferred tax assets attributable to tax entities that have incurred losses in the Group amounted to 10,001 million yen and 9,623 million yen for the previous and current fiscal years, respectively. This is based on the consideration that the factors giving rise to the losses are transitory and not expected to recur, and that it is probable that the tax benefits will be realized based on the estimated amount of future taxable income based on the business plan approved by the Board of Directors.

(2) Income tax expenses

The breakdown of income tax expenses for the previous and current fiscal years is as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Current tax expenses	1,704	4,915
Deferred tax expenses	(3,041)	(1,797)
Total	(1,337)	6,712

No amount was utilized for reducing deferred tax expenses in tax losses, tax credits, and benefits arising from temporary differences in prior periods that were previously unrecognized for tax effect in the previous and current fiscal years.

(3) Reconciliation of the effective tax rate

A reconciliation of the Japanese statutory tax rates and the average effective tax rates is as follows.

(Unit: %)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Effective statutory tax rate	30.6	30.6
Permanently nondeductible expenses	1.3	0.4
Changes in unrecognized deferred tax assets	(47.9)	6.7
Undistributed earnings of associated companies	2.9	(0.1)
Difference in statutory tax rates of foreign subsidiaries	(3.8)	(0.5)
Tax credit	(2.6)	(0.6)
Profit (loss) of investments accounted for using equity method	(3.2)	(0.7)
3.5Others	(0.8)	(1.6)
Average effective tax rate	(23.5)	34.2

The Company and domestic associates are subject to the Japanese corporate tax, an inhabitant tax, and business tax. The aggregated combined statutory income tax rates for the years ended March 31, 2025 and 2026, were both 30.6 %. Subsidiaries located in foreign countries are subject to those local taxes.

In Japan, where the Company is incorporated, the income inclusion rule (IIR) of the BEPS global minimum tax rules (Pillar Two) was introduced by the 2023 tax reform. Consequently, starting from the fiscal year ended March 31, 2025, top-up tax has been imposed on the Company until the tax rate of subsidiaries and entities in the Group reaches the minimum tax rate of 15% or the impact is negligible,

The Group has assessed the potential impact of the application of the global minimum tax rules based on the most recent country-by-country reports, tax returns and financial statements of the constituent companies subject to the rules, finding that the transitional safe harbor relief has been applied in most of the jurisdictions in which the Group operates, and that the Pillar Two effective tax rate is above 15% in the jurisdictions where the relief has not been applied. The Group therefore does not expect to have any material exposure to Pillar Two income taxes.

The Group has applied the exception provided for in IAS 12(Income Taxes) as regards any deferred tax assets or liabilities related to income taxes under Pillar Two and has not recognized or disclosed.

19. Borrowings

Breakdown of Borrowings

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (as of March 31, 2026)	Average interest rates (%)	Maturity
Short-term borrowings	5,814	6,095	1.72	–
Current portion of long-term loans payable	6,101	726	5.56	–
Long-term borrowings	2,554	5,443	5.56	Year 2027 to 2034
Total	14,469	12,264	–	–
Current liabilities	11,915	6,821	–	–
Non-current liabilities	2,554	5,443	–	–
Total	14,469	12,264	–	–

(Notes) 1. The average interest rates are the weighted average interest rates on the outstanding liabilities at the end of the period.

2. Borrowings are classified as financial liabilities measured at amortized cost.

20. Leases

(1) Lessee Accounting

The Group determines whether a contract is or contains a lease at the inception of the contract. The Group has leases for assets such as retail stores, warehouses, offices, corporate housing, vehicles, machinery, and equipment. Options to extend or terminate the lease contracts are included in certain contracts. The Group determines the lease term, taking into account the term of an extension option of which the exercise is reasonably certain or a termination option that it is reasonably certain not to exercise.

Material residual value guarantees, and restrictions or covenants imposed by leases do not exist in the contracts. Some of the contracts contain lease and non-lease components. Considerations in the contracts for which underlying assets are land and buildings and structures are allocated based upon the estimated standalone selling prices of the lease and non-lease components, which are generally accounted for separately. By electing the practical expedient, the Group did not separate lease components from non-lease components for leases for which underlying assets are machinery and vehicles and tools, furniture, and fixtures.

The profit and loss related to leases were as follows:

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Depreciation charges for the right-of-use assets		
Buildings and building improvements	5,612	5,657
Land	54	41
Others	127	119
Total	5,793	5,817
Interest expenses on lease liabilities	238	275
Expenses relating to short-term assets	76	95
Expenses relating to leases of low-value assets	26	25
Variable lease payments (Note)	914	804

(Note) Variable lease payments were not included in the lease liabilities calculation. Some of lease contracts include variable lease payments. Most of the variable lease payments were calculated based on store sales and we recognized expenses when incurred.

The book value of Right-of -use assets were as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Right-of-use assets		
Buildings and building improvements	11,560	11,119
Land	665	674
Others	173	119
Total	12,398	11,912

The total cash outflow related to leases were 7,007 million yen, and 6,946 million yen for the fiscal years ended March 31, 2025 and March 31, 2026, respectively.

See Note 【34. Cash flow Information】 for detail information of increase of the right-of-use assets.
See Note 【36. Financial Instruments (4) Liquidity risk management】 for detail information of the maturity analysis for lease liabilities.

(2) Lessor Accounting

The Group recognized revenue mainly from contracts consisting of leasing real estate owned by the Group to our customers. These lease arrangements are classified as operating leases and related revenue is recognized ratably over the lease term. Options to extend or terminate the leases are included in some of the contracts. The Group take such options into account to determine the lease term when it is probable that these options will be exercised.

Moreover, almost all of the lease contracts do not contain any variable consideration or purchase options for their customers. Certain contacts contain lease and non-lease components and the consideration in the contracts are allocated based upon estimated standalone selling prices of the lease and non-lease components. Material residual value guarantees do not exist in the contracts.

Lease income was as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Finance income on the net investment in the lease	833	495

Future lease income based on operating leases (before discount) was as follows.

(Millions of yen)

	Previous Fiscal year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Within 1 year	180	185
Between 1 and 2 years	102	105
Between 2 and 3 years	97	16
Between 3 and 4 years	7	10
Between 4 and 5 years	1	8
Beyond 5 years	–	–
Total	387	324

21. Trade and other payables

Trade and other payables are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Trade notes payable	3,701	1,155
Trade accounts payable	7,030	6,757
Other payables	5,047	4,494
Total	15,778	12,406

Trade and other payables are classified as financial liabilities measured at amortized cost.

22. Other financial liabilities

Other financial liabilities are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Financial liabilities measured at amortized cost:		
Deposits received	596	567
Others	309	258
Financial liabilities measured at fair value through profit or loss:		
Derivatives	11	–
Total	916	825
Current liabilities	916	825
Non-current liabilities	–	–
Total	916	825

23. Employee benefits

The Company and certain consolidated subsidiaries have adopted funded and non-funded defined benefit plans, and defined contribution plans to fund post-employment benefits for employees, and almost all employees are eligible for these plans. Benefits are based on the employee's years of service, position, and performance while employed.

These plans have the minimum funding requirements in place and, if there arises any shortfall in funding under the plans, additional contributions will be required within a designated period so that the minimum funding requirements are satisfied.

A pension fund that is legally separate from the Group manages defined benefit plans. The board and trustee of the pension fund are required by law to act in the best interest of plan participants and are responsible for managing plan assets based on a prescribed policy.

These pension plans are exposed to general market price fluctuation risk, interest rate risk, inflation risk and other risks, however we judge these risks to be insignificant.

(1) Defined benefit plans

(i) Reconciliations of defined benefit obligations and plan assets

Defined benefit obligations and plan assets as well as the net defined benefit liability and asset recognized in the consolidated statement of financial position are as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Present value of defined benefit obligations	22,073	19,657
Fair value of plan assets	(45,683)	(50,015)
Effect of asset ceiling	6,832	9,378
Net defined benefit assets	(16,778)	(20,980)
Amount recognized in the consolidated statement of financial position:		
Retirement benefit liabilities	1,621	1,320
Retirement benefit assets	(18,399)	(22,300)
Net defined benefit assets recorded in the consolidated statement of financial position	(16,778)	(20,980)

(ii) Reconciliations of the present value of defined benefit obligations

Changes in the present value of defined benefit obligations are as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Beginning balance of present value of defined benefit obligations	27,784	22,073
Service costs	627	553
Interest costs	364	441
Remeasurement		
Actuarial gains and losses arising from changes in demographic assumptions	(63)	65
Actuarial gains and losses arising from changes in financial assumptions	(1,398)	(1,252)
Actuarial gains and losses arising from experience adjustments	(104)	(24)
Past service costs	–	(381)
Benefit payments	(3,865)	(1,862)
Exchange differences on translation of foreign operations	(4)	44
Change in scope of consolidation	(1,025)	—
Other changes	(243)	—
Ending balance of present value of defined benefit obligations	22,073	19,657

The weighted average duration of defined benefit obligations as of March 31, 2025 and March 31, 2026 was 9.6 years and 9.5 years, respectively.

(iii) Reconciliations of the fair value of plan assets

Changes in the fair value of plan assets are as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Beginning balance of fair value of plan assets	45,979	45,683
Interest income	642	971
Remeasurements		
Return on plan assets	2,376	4,751
Contributions by employers	405	355
Participants' contributions	42	38
Benefit payments	(3,198)	(1,797)
Exchange differences on translation of foreign operations	(4)	14
Change in scope of consolidation	(559)	–
Other changes	–	–
Ending balance of fair value of plan assets	45,683	50,015

The Group plans to make contributions of 347 million yen in the next fiscal year ending March 31, 2027.

(ⅳ) Breakdown of plan assets by class

The breakdown of plan assets by major class is as follows.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)			Current Fiscal Year (March 31, 2026)		
	With market prices in active markets	No market prices in active markets	Total	With market prices in active markets	No market prices in active markets	Total
Equity instruments	19,098	3,945	23,043	22,974	4,837	27,811
Japanese equity securities	19,098	―	19,098	22,974	―	22,974
Pooled funds (Japanese equity securities)	―	777	777	―	945	945
Pooled funds (Foreign equity securities)	―	3,168	3,168	―	3,892	3,892
Debt instruments	1,436	5,244	6,680	1,512	5,645	7,157
Japanese dept securities	1,201	―	1,201	1,213	―	1,213
Foreign debt securities	235	―	235	299	―	299
Pooled funds (Japanese debt securities)	―	247	247	―	115	115
Pooled funds (Foreign debt securities)	―	4,997	4,997	―	5,530	5,530
General accounts of insurance companies	―	170	170	―	277	277
Hedge funds	―	3,813	3,813	―	2,317	2,317
Other short-term investments	―	11,977	11,977	―	12,453	12,453
Total	20,534	25,149	45,683	24,486	25,529	50,015

The Group’s policy for managing plan assets is to ensure stable returns in the medium and long-term so as to ensure payments of defined benefit obligations over future years in accordance with provisions. More specifically, we manage plan assets by setting a target rate of return and a target asset allocation by investment asset within defined permissible risk parameters annually while maintaining the asset allocation. When revising the asset allocation, we review the asset allocation and plan assets to invest in to ensure that the plan assets are better aligned with changes in the defined benefit obligations.

The Group also regularly reviews the amounts of contributions, for example, by recalculating the amount once every five years to balance the future financial position of the pension plan in compliance with the Defined-Benefit Corporate Pension Law.

(v) Reconciliations of the effect of asset ceiling

The following table presents a reconciliation of the effect of the asset ceiling.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Beginning balance of effect of asset ceiling	2,347	6,832
Interest income	33	143
Remeasurements		
Changes of the effect of asset ceiling	4,452	2,403
Exchange differences on translation of foreign operations	-	–
Ending balance of effect of asset ceiling	6,832	9,378

(vi) Significant actuarial assumptions

Significant actuarial assumptions used are as follows.

(Unit:%)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Discount rate	2.1	2.9

(vii) Sensitivity analysis

The following table shows the impact on the present value of the defined benefit obligations when the discount rate used for actuarial calculation changes by 0.5 percentage point. This sensitivity analysis was performed based on the assumption that all other variables were constant. However, changes in other assumptions may affect the sensitivity analysis.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
If the discount rate increases by 0.5%	(848)	(636)
If the discount rate decreases by 0.5%	919	684

(2) Defined contribution plans

The amounts of required contributions for the defined contribution plans made for the fiscal years ended March 31, 2025 and March 31,2026 were 539 million yen and 590 million yen, respectively.

(3) Employee benefits

Employee benefit expenses included in cost of sales and selling, general, and administrative expenses in the consolidated statement of profit or loss for the fiscal years ended March 31, 2025 and March 31, 2026 were 56,330 million yen and 54,728 million yen, respectively.

24. Provisions

The breakdown of provisions and changes in them are as follows.

(Millions of yen)

	Asset retirement obligation
April 1, 2025	839
Additions	155
Interest expense during the discounting period	2
Decrease (intended use)	(72)
Exchange differences on translation of foreign operations	6
March 31, 2026	930

The breakdown of provisions in the consolidated statement of financial position is as follows:

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Current liabilities	–	–
Non-current liabilities	839	930
Total	839	930

Asset retirement obligations is the amount expected to be paid in the future based on historical restoration track records, quotations, and others in preparation for the obligations to restore to their original condition under lease agreements for the rented offices, buildings, and so forth used by the Group. These expenses expected to be paid after the lapsing of an estimated period of use measured based on the useful life of interior fixtures are affected by future business plans.

25. Other liabilities

Other liabilities are composed of the following.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Other current liabilities		
Accrued consumption taxes	651	1,906
Accrued payroll and bonuses	5,535	4,830
Accrued expenses	4,463	3,737
Refund liabilities	1,821	1,600
Contract liabilities	1,246	1,121
Total	13,716	13,194
Other non-current liabilities		
Other long-term employee benefits	175	31
Others	1,118	1,239
Total	1,293	1,270

26. Equity and other components of equity

(1) The number of shares authorized, and the total number of shares issued

Changes in the number of shares authorized and the total number of shares issued are as follows.

(Shares)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Number of Shares Authorized		
Common stock	250,000,000	250,000,000
Total number of shares issued		
Balance at the beginning of the year	61,000,000	55,500,000
Changes during the period (Note 2)	(5,500,000)	(3,000,000)
Balance at the end of the year	55,500,000	52,500,000

(Notes) 1. All of the Company's shares issued are no-par value common stock without restriction on rights, and all of the shares issued are fully paid in.

2. The decrease during the previous and current fiscal year was due to the cancellation of treasury stock.

(2) Treasury stock

Changes in the number of shares of treasury stock and its balance are as follows.

	Number of shares (Shares)	Amount (Millions of yen)
April 1, 2024	5,931,669	17,259
Changes during the period	(2,090,759)	709
March 31, 2025	3,840,910	17,968
Changes during the period	(777,989)	(2,181)
March 31, 2026	3,062,921	15,787

(Note) The changes during the previous and current fiscal year were mainly due to the purchase of treasury stock and cancellation of treasury stock.

(3) Capital surplus

The Companies Act of Japan (hereinafter "the Companies Act") requires that at least half of paid-in capital be appropriated as share capital and the rest be appropriated as legal capital surplus included in capital surplus. In addition, under the Companies Act, legal capital surplus can be transferred to share capital upon approval at the General Meeting of Shareholders.

(4) Retained earnings

The Companies Act provides that an amount equal to 10% of dividends of surplus should be appropriated as legal capital surplus or legal retained earnings until the aggregated amount of legal capital surplus and legal retained earnings equals 25% of share capital. The legal retained earnings may be used to compensate for deficits or may be reversed with the approval of the General Meeting of Shareholders.

(5) Other components of equity

The breakdown of other components of equity is as follows.

(Millions of yen)

	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Share of other comprehensive (loss) income of investments accounted for using equity method	Total
April 1, 2024	17,451	27,349	—	1,984	46,784
Changes during the period	(436)	(3,562)	(332)	(259)	(4,589)
Transfer to retained earnings	—	(3,944)	332	53	(3,559)
March 31, 2025	17,015	19,843	—	1,778	38,636
Changes during the period	6,009	12,583	2,450	883	21,925
Transfer to retained earnings	—	(8,602)	(2,450)	(149)	(11,201)
March 31, 2026	23,024	23,824	—	2,512	49,360

27. Dividends

(1) Dividends paid are as follows.

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 15, 2024 Board of Directors	Common stock	2,753	50.00	March 31, 2024	June 6, 2024
November 11, 2024 Board of Directors	Common stock	2,709	50.00	September 30, 2024	December 6, 2024

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 15, 2025 Board of Directors	Common stock	2,583	50.00	March 31, 2025	June 6, 2025
November 12, 2025 Board of Directors	Common stock	2,490	50.00	September 30, 2025	December 5, 2025

(2) Dividends whose record date is before the end of the reporting period and whose effective date is after the end of the reporting period

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 15, 2025 Board of Directors	Common stock	2,583	50.00	March 31, 2025	June 6, 2025

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 14, 2026 Board of Directors	Common stock	2,472	50.00	March 31, 2026	June 5, 2026

28. Revenue

(1) Breakdown of revenue

Breakdowns of main product revenue and reportable segment are as follows.

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment			Other	Total
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business		
Innerwear:					
Foundation and lingerie	69,455	59,667	9,248	3,264	141,634
Nightwear	5,378	466	504	53	6,401
Children’s underwear	546	53	—	14	613
Subtotal	75,379	60,186	9,752	3,331	148,648
Outerwear/sportswear and others	7,225	5,174	20	1,950	14,369
Hosiery	1,437	—	—	34	1,471
Other textile goods and related products	2,242	1,778	697	870	5,587
Others	1,545	99	—	2,177	3,821
Total	87,828	67,237	10,469	8,362	173,896

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segment			Other	Total
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business		
Innerwear:					
Foundation and lingerie	69,525	59,768	10,028	1,147	140,468
Nightwear	5,260	373	396	53	6,082
Children’s underwear	496	49	—	14	559
Subtotal	75,281	60,190	10,424	1,214	147,109
Outerwear/sportswear and others	7,027	6,526	48	2,019	15,620
Hosiery	1,479	—	—	34	1,513
Other textile goods and related products	1,921	1,664	672	34	4,291
Others	2,015	88	—	874	2,977
Total	87,723	68,468	11,144	4,175	171,510

The Group focuses on sales of innerwear (primarily, foundation garments, lingerie, and nightwear), outerwear, sportswear, or other textile products and related products ("Products"), and the customers include retail and wholesale distributors and consumers in Japan and overseas.

Revenue from sales of our Products is recognized when performance obligations are satisfied, which is upon delivery of the Products.

The Group invoices when it satisfies the performance obligation and receives cash payment shortly thereafter.

The Group's revenue is recognized for transactions, net of any trade discounts or rebates given. The Group generally provides a right of return to our customers. In order to estimate the transaction price, provision for expected returns is deducted from revenue based on historical returns.

Because the period from fulfillment of the performance obligations to receipt of consideration is normally within one year, the receivables are not adjusted for material financial elements using the convention method.

(2) Contract balances

The breakdown of receivables from contracts with customers and contract liabilities is as follows. Receivables from contracts with customers are Trade notes receivable and Accounts receivable-trade included in Trade and other receivables (see Note 9. Trade and other receivables). The amount of contract assets is not material.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Contract liabilities	1,246	1,121

The revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period for the fiscal year ended March 31, 2025 and 2026 was 1,011 million yen and 984 million yen respectively. There is no significant revenue recognized during the current fiscal year from performance obligations that were satisfied in previous periods.

Contract liabilities from contracts with customers consist mainly of customer loyalty points.

Certain subsidiaries have customer loyalty programs as part of the promotion and provide loyalty points to customers when they purchase our 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 to expire over the next two years. The unredeemed points as of the end of each fiscal year are recorded as contract liabilities, which are estimated based on actual redemption amounts from previous fiscal year. Contract liability is included in other current liabilities and is mainly related to innerwear products in the Wacoal Business (Domestic) segment.

(3) Transaction price allocated to the remaining performance obligations

In the Group, there are no significant transactions for which the individual forecast contract period exceeds one year. Therefore, the practical short-cut method is used, and information related to remaining performance obligations is omitted. In addition, there is no significant consideration from contracts with customers that is not included in transaction prices.

(4) Contract Costs

The Group has adopted a practical expedient described in paragraph 94 of IFRS 15 "Revenue from Contracts with Customers," and recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

29. Selling, general and administrative expenses

Selling, general and administrative expenses are composed of the following:

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Employee benefits	40,378	39,680
Depreciation and amortization	10,230	9,805
Transportation and storage costs	4,654	4,667
Advertising expenses	14,598	13,897
Lease amounts	2,219	2,378
Payment fees	17,472	17,460
Others	11,330	10,805
Total	100,881	98,692

30. Other income and expenses

Other income is composed of the following.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Government grant	120	77
Gain on sale of property, plant and equipment	9,439	19,545
Rent receipt	215	228
Insurance claim income	40	2,906
Foreign exchange gains	—	132
Others	1,397	1,192
Total	11,211	24,080

Other expenses are composed of the following.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Loss on sale and disposal of property, plant and equipment	212	254
Impairment charges (Note 1)	2,369	1,190
Business structure reform cost (Note 2)	1,436	—
Disaster-related losses (Note 3)	—	2,006
Other	469	292
Total	4,486	3,742

(Notes) 1. For the fiscal year ended March 31, 2025, an impairment charge of 2,369 million yen were recorded in relation to transfer of the shares of the Company's consolidated subsidiary, Lecien Corporation. For the fiscal year ended March 31, 2026, regarding Wacoal Europe Ltd. Group's goodwill, the company recorded an impairment charge of 1,006 million yen due to factors such as slowing growth in its main sales channels and pressure on profit margins resulting from increased selling, general, and administrative expenses caused by U.S. tariffs and inflation.

2. Business structure reform cost includes the recording of some subsidiaries' disposal of inventories and cost for voluntary retirement.
3. Disaster-related losses include inventory valuation losses and related expenses resulting from a fire at a logistics warehouse operated by a consolidated subsidiary.

31. Finance income and costs

Finance income is composed of the following.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Interest income:		
Financial assets measured at amortized cost	488	403
Dividend income:		
Financial assets measured at fair value through other comprehensive income	961	930
Financial assets measured at fair value through profit or loss	285	185
Gain (Loss) on change in fair value		
Financial assets measured at fair value through profit or loss	160	118
Foreign exchange gains	15	50
Others	261	389
Total	2,170	2,075

Finance costs are composed of the following.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Interest expenses:		
Financial liabilities measured at amortized cost	313	471
Lease liabilities	238	275
Gain (Loss) on change in fair value		
Financial assets measured at fair value through profit or loss	10	13
Others	30	26
Total	591	785

32. Other comprehensive income

The following are amounts arising during the year by item of other comprehensive income, reclassification adjustments to profit or loss, and impact of tax effects.

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Amount arising during the year	Reclassification adjustment	Before tax effects	Tax effects	Net of tax effects
Items that will not be reclassified to profit or loss					
Financial assets measured at fair value through other comprehensive income	(4,638)	–	(4,638)	1,132	(3,506)
Remeasurement of defined benefit plans	(491)	–	(491)	159	(332)
Share of other comprehensive income of investments accounted for using equity method	(117)	–	(117)	–	(117)
Total of items that will not be reclassified to profit or loss	(5,246)	–	(5,246)	1,291	(3,955)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	(422)	–	(422)	–	(422)
Share of other comprehensive income of investments accounted for using equity method	(142)	–	(142)	–	(142)
Total of items that may be reclassified subsequently to profit or loss	(564)	–	(564)	–	(564)
Total	(5,810)	–	(5,810)	1,291	(4,519)

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Amount arising during the year	Reclassification adjustment	Before tax effects	Tax effects	Net of tax effects
Items that will not be reclassified to profit or loss					
Financial assets measured at fair value through other comprehensive income	18,237	—	18,237	(5,652)	12,585
Remeasurement of defined benefit plans	3,574	—	3,574	(1,124)	2,450
Share of other comprehensive income of investments accounted for using equity method	294	—	294	—	294
Total of items that will not be reclassified to profit or loss	22,105	—	22,105	(6,776)	15,329
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6,162	(36)	6,126	—	6,126
Share of other comprehensive income of investments accounted for using equity method	589	—	589	—	589
Total of items that may be reclassified subsequently to profit or loss	6,751	(36)	6,715	—	6,715
Total	28,856	(36)	28,820	(6,776)	22,044

33. Earnings per share

The Company implemented the restricted stock compensation plan for Directors (excluding External Directors (Independent)) of the Company and Directors of the Company’s wholly owned subsidiary, Wacoal Corp. Among the shares under the restricted stock compensation plan, those that have not been vested are distinguished as participating equity instruments from common shares. A holder of participating equity instruments have the same rights as a holder of common shares to net income attributable to Wacoal Holdings Corp.

(1) Basis of calculation for basic profit (loss) per share

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit attributable to owners of parent (Millions of yen)	7,218	13,124
Profit attributable to participating equity instruments (Millions of yen)	6	14
Profit used to calculate basic profit per share (Millions of yen)	7,212	13,110
Weighted-average number of common shares issued (Thousands of shares)	53,905	50,159
Weighted-average number of participating equity instruments (Thousands of shares)	46	54
Weighted-average number of common shares (Thousands of shares)	53,859	50,105
Basic earnings per share (Yen)	133.90	261.65

(2) Basis of calculation for diluted profit per share

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit used to calculate basic profit per share (Millions of yen)	7,212	13,110
Adjustment to loss (Millions of yen)	–	–
Profit used to calculate diluted profit per share (Millions of yen)	7,212	13,110
Weighted-average number of common shares outstanding (Thousands of shares)	53,859	50,105
Increase in the number of common shares		
Stock acquisition rights (Thousands of shares)	205	125
Weighted-average number of shares of diluted common shares (Thousands of shares)	54,064	50,230
Diluted earnings per share (Yen)	130.39	261.00

34. Cash flow information

(1) Change in liabilities arising from financing activities

Change in liabilities arising from financing activities are as follows:

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	April 1, 2024	Changes arising from cash flows	Non-cash changes				March 31, 2025
			Change in scope of consolidation	Changes in foreign currency exchange rates	New lease contracts	Others	
Short-term borrowings	5,686	88	–	40	–	–	5,814
Long-term borrowings	3,460	5,291	–	(96)	–	–	8,655
Lease liabilities	11,496	(5,753)	2,288	(405)	5,036	(34)	12,628
Total	20,642	(374)	2,288	(461)	5,036	(34)	27,097

(Note) Current portion of long-term loans payable is included.

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	April 1, 2025	Changes arising from cash flows	Non-cash changes				March 31, 2026
			Change in scope of consolidation	Changes in foreign currency exchange rates	New lease contracts	Others	
Short-term borrowings	5,814	187	–	94	–	–	6,095
Long-term borrowings	8,655	(3,043)	–	557	–	–	6,169
Lease liabilities	12,628	(5,734)	–	(30)	5,184	–	12,048
Total	27,097	(8,590)	–	621	5,184	–	24,312

(Note) Current portion of long-term loans payable is included.

(2) Non-cash Transaction

Non-cash transactions are composed of the following:

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Acquisition of right-of-use assets under lease transaction	5,036	5,184
Cancellation of treasury stock	16,011	14,055

35. Share-based compensation

(1) Equity-settled stock option plan

Until the 73rd Ordinary General Meeting of Shareholders held on June 29, 2021, the Company had a stock option plan of share-based compensation type in place. Under the stock option plan, the Company allocated stock acquisition rights to Directors (excluding External Directors (Independent)) of the Company and Directors of the Company's wholly-owned subsidiary, Wacoal Corp., with the aim to share not only the benefits of share price increases but also the risk of share price declines with our shareholders, thereby providing increased incentives to contribute to the improvement of the share price and corporate value.

The stock option plan of share-based compensation type was an equity-settled share-based compensation.

The breakdown of the stock options of shared-based compensation type issued by the Company is as follows.

	Number of options granted (shares)	Grant date	Exercise deadline	Exercise price (Yen)	Fair value of grant date (Yen)
17th / 18th	34,500	September 1, 2016	September 1, 2036	1	2,088
19th / 20th	23,000	September 1, 2017	September 1, 2037	1	2,918
21st / 22nd	20,900	August 17, 2018	August 17, 2038	1	3,005
23rd / 24th	28,500	July 22, 2019	July 22, 2039	1	2,516
25th / 26th	35,700	July 17, 2020	July 17, 2040	1	1,768

(Note) The Company has reflected the share consolidation pursuant to which two (2) shares were consolidated into one (1) share because the Company conducted a share consolidation of common stock of the Company pursuant to which two (2) shares were consolidated into one (1) share effective as of October 1, 2017.

The number and weighted-average exercise prices of stock options

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)		Current Fiscal Year (From April 1, 2025 to March 31, 2026)	
	Number of Shares (Shares)	Weighted average exercise price (Yen)	Number of Shares (Shares)	Weighted average exercise price (Yen)
Outstanding at beginning of the year	236,800	1	168,200	1
Exercised	68,600	1	109,000	1
Forfeited	–	–	–	–
Expired	–	–	–	–
Outstanding at end of the year	168,200	1	59,200	1
Exercisable at end of the year	156,100	1	47,100	1

(Notes) 1. The weighted-average share price at exercise of stock options during the previous and current fiscal year was 4,732 yen and 4,590 yen respectively.

2. The weighted-average remaining life of the outstanding stock options for the end of previous year and current fiscal year was 3.3 years and 3.7 years, respectively.

(2) Restricted stock compensation plan

The Company had newly introduced the restricted stock compensation plan for Directors (excluding External Directors (Independent)) of the Company and Directors of the Company's wholly-owned subsidiary, Wacoal Corp. (hereinafter referred to as "Eligible Directors"), with the aim to further share the risk of share price fluctuations with our shareholders, thereby providing increased incentives to contribute to the improvement of the share price and corporate value.

The Company has replaced the previous plan (that granted stock acquisition rights as share-based compensation) with a restricted stock compensation plan, which the Company annually allocates restricted stock to the Eligible Directors. The amount of compensation claims is determined by comprehensively taking into consideration various factors including each Eligible Director's degree of contribution to the Company and Wacoal Corp. With regard to the shares of the Company's common stock allotted (the "Allotted Shares"), the Eligible Directors have, in principle, entered into a restricted stock allotment agreement that provides that an Eligible Director is prohibited to transfer to a third party, pledge, create mortgage on, or use any other arrangements to dispose the Allotted Shares for a period from the grant date to a date on which (s)he retires from all the positions as Director, Audit and Supervisory Board Member, and Corporate Officer of the Company and Wacoal Corp. as designated by the Board of Directors of the Company, and that the Company will acquire the Allotted Shares without compensation in case of certain events.

Fair value on the grant date is calculated based on the closing price of common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Board Directors.

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Grant date	July 12, 2024	July 14, 2025
Number of shares granted during the year (Shares)	13,700	11,400
Weighted-average fair value per share (Yen)	4,395	4,917

(3) Share-based compensation expense

Share-based compensation expense included in cost of sales and selling, general, and administrative expenses in the consolidated statement of profit or loss is as follows:

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Restricted stock compensation	60	56

36. Financial instruments

(1) Capital management

The Group performs capital management in order to maximize corporate value through sustainable growth. The main indicator used by the Group in capital management is the ratio of profit attributable to owners of parent to equity attributable to owners of parent, which is reported to and monitored by management on a regular basis.

The Group's ratio of profit attributable to owners of parent to equity attributable to owners of parent is as follows.

	Previous Fiscal Year (March 31, 2025)	Current Fiscal Year (March 31, 2026)
Ratio of profit attributable to owners of parent to equity attributable to owners of parent (%)	3.6	6.5

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, currency risk, interest rate risk, and market price fluctuation risk) in the course of its management activities and manages risks based on certain policies to mitigate such financial risks. The Group uses derivatives transactions to hedge currency 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 discharge 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 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.

The carrying amount of financial assets presented in the consolidated financial statements represents the maximum exposure in terms of credit risk of financial assets held by the Group.

When a delinquency of a debtor is caused not by a temporary funding requirement, rather primarily by significant financial difficulty of the debtor, and the collectability of receivables is considered to be of particular concern, such financial assets are deemed to be credit impaired.

For trade receivables 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.

Changes in allowance for doubtful accounts for trade receivables are as follows.

(Millions of yen)

	Financial assets for which an allowance for doubtful accounts is always measured at an amount equal to the lifetime expected credit losses	Credit impaired financial assets	Total
Balance at April 1, 2024	254	180	434
Increase	3	211	214
Decrease (intended use)	—	—	—
Decrease (reversal)	(7)	(1)	(8)
Other changes	(14)	(61)	(75)
Balance at March 31, 2025	236	329	565
Increase	9	81	90
Decrease (intended use)	—	(25)	(25)
Decrease (reversal)	(3)	(3)	(6)
Other changes	18	14	32
Balance at March 31, 2026	260	396	656

Of the financial assets that are written off in the current fiscal year, there are no financial assets for which collecting activities continue.

Credit risk exposure for trade receivables is as follows.

(Millions of yen)

	Financial assets for which an allowance for doubtful accounts is always measured at an amount equal to the lifetime expected credit losses	Credit impaired financial assets	Total
Previous Fiscal Year (March 31, 2025)	17,030	370	17,400
Current Fiscal Year (March 31, 2026)	17,640	457	18,097

(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 implements centralized financial management and other measures for certain subsidiaries, manages liquidity risk by updating cash management plans in a timely manner, preparing adequate funds for repayments, securing credit lines available from financial institutions as needed, and continuously monitoring cash flow plans and results.

Balances of financial liabilities (including derivative instruments) classified by due dates are as follows.

Previous Fiscal Year (March 31, 2025)

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	From 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	14,469	14,469	11,915	1,200	1,354
Trade and other payables	15,778	15,778	15,778	—	—
Lease liabilities	12,628	13,420	5,035	7,492	892
Other financial liabilities	905	905	905	—	—
Derivative financial liabilities					
Foreign exchange forward contracts	11	11	11	—	—
Total	43,791	44,583	33,644	8,692	2,246

Current Fiscal Year (March 31, 2026)

(Millions of yen)

	Carrying amount	Contractual cash flows	Within 1 year	From 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings	12,264	13,807	7,154	3,836	2,818
Trade and other payables	12,406	12,406	12,406	—	—
Lease liabilities	12,048	12,759	5,025	6,930	804
Other financial liabilities	825	825	825	—	—
Derivative financial liabilities					
Foreign exchange forward contracts	—	—	—	—	—
Total	37,543	39,797	25,410	10,766	3,622

(5) Management of market risk

(i) Management of currency 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 avoid or mitigate 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.

Sensitivity analysis of foreign exchange

As of the end of each fiscal year, if the Japanese Yen appreciated by 1%, the effects on profit before tax in the consolidated financial statement of profit or loss would have been as follows.

This analysis is based on the assumption that other factors, such as balances and interest rates are constant.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Profit before income taxes		
U.S. dollar	(86)	(63)

(ⅱ) Management of interest rate risk

The Group pays interest in 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 held marketable equity securities of 34,860 million and 40,411 million for the previous fiscal year and the current fiscal year, respectively, and they are exposed to fluctuation risk of market prices. 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 equity securities are designated as financial assets measured at fair value through other comprehensive incomes, and there is no effect on profit or loss from changes in the share price.

(6) Offsetting of financial assets and financial liabilities

The Group does not possess material financial assets and liabilities which should be offsetting.

(7) Fair values of financial instruments

(i). Calculation method of fair value

The Group measures the fair value of financial assets and financial liabilities as follows. Fair value of financial instruments is estimated using available market prices or is measured by appropriate valuation techniques when market prices are not available.

(Cash and cash equivalents, trade and other receivables, trade and other payables, short-term borrowings)

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 methods using financial indicators, etc. 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 value is measured based on Level 2.

(ii) Financial instruments measured at amortized cost

The carrying amounts and fair values of financial instruments at amortized cost are as follows.

Financial instruments measured at fair value and financial instruments whose carrying values approximate their fair values are not included.

(Millions of yen)

	Previous Fiscal Year (March 31, 2025)		Current Fiscal Year (March 31, 2026)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at amortized cost:				
Corporate bonds	138	134	87	81
Total	138	134	87	81
Financial liabilities				
Financial liabilities measured at amortized cost:				
Long-term borrowings (including current portions)	8,655	8,670	6,169	6,155
Total	8,655	8,670	6,169	6,155

(ⅲ). Financial instruments measured at fair value

The table below shows the results of an analysis on financial instruments measured at fair value. Each level is defined as follows.

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 observables inputs other than Level 1.
Level 3: Fair value determined using valuation techniques based on unobservable inputs.

Fair value hierarchy for financial instruments measured at fair value are as follows.

Previous Fiscal Year (March 31, 2025)

(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
Others	—	—	140	140
Financial assets measured at fair value through other comprehensive income:				
Equity securities	34,860	—	851	35,711
Others	—	—	31	31
Total	35,123	21	3,061	38,205
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives	—	11	—	11
Total	—	11	—	11

Current Fiscal Year (March 31, 2026)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss:				
Equity securities	—	—	2,112	2,112
Mutual funds	106	—	—	106
Others	—	—	128	128
Financial assets measured at fair value through other comprehensive income:				
Equity securities	40,411	—	723	41,134
Others	—	—	31	31
Total	40,517	—	2,994	43,511

The Company recognizes transfers between the levels of the fair value hierarchy at the date when the event or the change in circumstances resulting in the transfer occurred. There was no significant reclassification between Level 1 and Level 2 in previous fiscal year and current fiscal year.

Valuation process

Fair value of financial instruments classified into Level 3 is measured using valuation methods for respective target financial assets and liabilities as determined by persons in charge of accounting or asset valuation in accordance with valuation policies and procedures, including internally approved valuation methods for fair value measurement.

Quantitative information for financial instruments classified as Level 3

Fair value of equity securities and others classified into Level 3 is measured based on the comparable multiple valuation method using financial indicators, etc. or other appropriate valuation techniques. If unobservable inputs were changed to other reasonably possible assumptions, changes in fair value would not have been material.

Reconciliation for financial instruments classified as Level 3

The reconciliation from the beginning balances to the ending balances of financial instruments classified as Level 3 in fair value measurements is as follows.

Previous Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity securities	Other
Balance as of the beginning of the year	2,853	31
Gains or losses		
Profit or loss *1	151	(10)
Other comprehensive income *2	(304)	—
Purchases	—	75
Sales and settlements	(2)	—
Others	192	75
Balance at the end of the year	2,890	171
Unrealized gain (loss) on assets and liabilities held at the end of period included in net income or loss*1	151	(10)

Current Fiscal Year (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Equity securities	Other
Balance as of the beginning of the year	2,890	171
Gains or losses		
Profit or loss *1	73	(12)
Other comprehensive income *2	(128)	—
Purchases	—	—
Sales and settlements	—	—
2,835159Balance at the end of the year	2,835	159
Unrealized gain (loss) on assets and liabilities held at the end of period included in net income or loss*1	73	(12)

(Notes) *1. Gains or losses are recognized as finance income or finance costs in the consolidated statement of profit or loss.

*2. Gains or losses after consideration of tax effects are recognized as net change in fair value of financial assets measured at fair value through other comprehensive income in the consolidated statement of comprehensive income.

37. Significant subsidiaries

(1) Significant subsidiaries

The Company's major subsidiaries are stated in 1. Overview of the Company, 4. Information on Associates. There were no subsidiaries with individually significant noncontrolling interests in the previous and current fiscal years.

(2) Transfer of subsidiary

The Group sold a portion of the shares of Nanasai Co., Ltd. in the fiscal year ended March 31, 2025. As a result of this transfer of shares, the Group's ownership in the said company decreased from 99.96% to 14.99%, and the said company was removed from the Group's scope of consolidation due to the Group losing control over the said company. The gain related to the loss of control is included in "other income" of the consolidated statement of profit or loss.

During the current consolidated fiscal year, our Group sold all of its shares in Lecien Corporation. As a result of this sale, we lost control over the company and have therefore excluded it from the scope of our Group's consolidation. The loss resulting from this sale is included in "Other Expenses" on the consolidated statement of income for the previous consolidated fiscal year.

The major breakdown of the assets and liabilities at the time of the loss of control of the company that is no longer a subsidiary due to the sale of shares is as follows.

	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Components of assets on loss of control	
Current assets	2,029
Non-current assets	2,038
Components of liabilities on loss of control	
Current liabilities	1,761
Non-current liabilities	697

38. Related parties

(1) Transactions with related parties

Information of transactions with related parties is omitted as it was immaterial.

(2) Remuneration of key management personnel

Remuneration of Directors and External Directors (Independent) who are key management personnel of the Company is as follows.

(Millions of yen)

	Previous Fiscal Year (From April 1, 2024 to March 31, 2025)	Current Fiscal Year (From April 1, 2025 to March 31, 2026)
Basic compensation and bonuses	173	191
Share-based payment	44	47
Total	217	238

39. Subsequent events

Business Combination through Acquisition

We hereby announce that our Board of Directors resolved at its meeting held March 30, 2026 to enter into a share purchase agreement pursuant to which we will acquire, through Wacoal Direct Corp., a subsidiary of our U.S. consolidated subsidiary Wacoal International Corp. ("WIC"), all of the issued and outstanding shares of Glamorise Foundations, Inc. ("Glamorise"), a U.S.-based company engaged in the design, development, and sale of women's innerwear primarily through e-commerce channels, we entered into a stock purchase agreement on March 31, 2026 (U.S. time) and completed the acquisition of all outstanding shares on April 1, 2026.

(1) Overview of business combination

(i) Name and business description of the Acquiree
Name: Glamorise Foundations, Inc.
Business description: Design and sales, via wholesaler and eCommerce, of women's innerwear, etc.
(ii) Date of acquisition
April 1, 2026
(iii) Acquired ratio of holding capital with voting rights
100%
(iv) Primary reason for business combination
Our group, in its overseas business, is working to enhance competitiveness by strengthening direct consumer engagement in its key markets, especially the United States and Europe, while investing in growth areas. Under the vision of becoming a brand that supports all women through exceptional fit, quality and support, WIC, our consolidated subsidiary, aims to evolve into a more inclusive brand that can serve a wider range of women across all body types, lifestyles, and life stages. In the U.S. market, the Company recognizes several important market realities, including the continued growth of the plus-size segment, the structural shift in sales channels from department stores to DTC and online channels, and the increasing importance of investment in brand awareness.

Glamorise is the plus-size-focused brand with a market position differentiated from WIC. Furthermore, since the majority of its sales are generated through its own online channels, the company has a high DTC ratio and a stable revenue base. We decided to proceed with this acquisition because we believe that leveraging Glamorise's expertise in plus-size product development, its know-how in operating its own e-commerce platform, and its digital marketing insights, including external e-commerce sales, will help us expand our market share in the plus-size market and accelerate our e-commerce business, thereby contributing to the enhancement of our company's corporate value over the medium to long term.
(v) Acquisition method to govern the acquired company
Cash consideration for the acquisition of shares

(2) Consideration for the Acquisition and Its Breakdown
Cash: Approximately 33 million U.S. dollars (approximately 5,308 million yen)

In addition to the above, the share purchase agreement includes contingent consideration, under which cash will be paid over a three-year period based on Glamorise's performance (such as revenue) through the fiscal year ending March 2029. The total amount of the contingent consideration will vary between a minimum of 0 million U.S. dollars and a maximum of 11 million U.S. dollars. Please note that the valuation procedures necessary to determine the fair value of the contingent consideration has not yet been completed.

(3) Amounts and Accounting Categories for Acquisition-Related Expenses
Acquisition-related expenses of 349 million yen related to this business combination are included in selling, general and administrative expenses in the consolidated statement of profit or loss.

40. Approval of consolidated financial statements

These consolidated financial statements were approved by Masaaki Yajima, President and Representative Director, and Akira Miyagi CFO, as of June 26, 2026.

(2) 【Others】

Quarterly financial information for the year ended March 31, 2026

(Cumulative period)	First Quarter	Second Quarter	Third Quarter	Year ended March 31, 2026
Revenue (Millions of yen)	44,956	87,511	130,344	171,510
Profit before tax (Millions of yen)	20,086	20,166	22,116	19,653
Profit attributable to owners of parent (Millions of yen)	13,663	12,418	13,791	13,124
Basic profit earnings per share (yen)	265.39	243.98	273.59	261.65

(Fiscal period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Basic (loss) earnings per share (yen)	265.39	(24.74)	27.78	(13.50)

(Notes) The 1st and 3rd quarter are based on quarterly information prepared in accordance with the rules stipulated by the stock exchange. This information has not been subject to mid-term review.

VI. 【Stock-Related Administration for the Reporting Company】

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	To be held in June
Record date	March 31
Record date for dividends of surplus	September 30 March 31
Number of shares constituting one unit	100 shares
Purchase and sale of shares less than one unit	
Office for handling business	(Special Account) Osaka Securities Transfer Section Mitsubishi UFJ Trust and Banking Corporation 6-3, Fushimi 3-chome, Chuo-ku, Osaka
Transfer agent	(Special Account) Mitsubishi UFJ Trust and Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	―
Handling charge for purchase and sale	Free of charge
Method of public notice	Public notice of the Company shall be in electronic form; provided that, public notice cannot be provided electronically due to an accident or unavoidable event, it shall be published in *Nihon Keizai Shimbun*.
Special benefit for shareholders	Shareholder special discount shall be made for Wacoal products by means of catalogue sales and internet sales as follows: – To shareholders holding 100 shares or more: 20% to 40% discount depending on the number of shares held shall be made for the purchase of our products listed in catalogues issued by Wacoal or internet sales; provided, however, that the total purchase price applicable for the discount shall be up to 200,000 yen (before discount) per year.

(Note) Our Articles of Incorporation prescribe that the shareholders holding shares constituting less than one unit of the Company may not exercise any rights, except for the rights as prescribed under each item in Paragraph 2, Article 189 of the Companies Act, the claim rights pursuant to the provisions of Paragraph 1, Article 166 of the same law, the right to receive an allocation of share offerings and stock acquisition rights in proportion to the number of shares held, and the right to request the sale of additional shares not constituting one unit.

VII. 【Reference Information on the Reporting Company】

1. 【Information on the Parent Company】

The Company does not have the parent company set out in Paragraph 1, Article 24-7 of the Financial Instruments and Exchange Act.

2. 【Other Reference Information】

The Company filed the following documents during the period from the commencing date of the current fiscal year to the filing date of the Annual Securities Report.

(1)	Annual Securities Report and the attachments thereto, and Confirmation Letter	Fiscal Year (77th Fiscal Year)	From April 1, 2024 to March 31, 2025	Filed with the Director of the Kanto Local Finance Bureau on June 25, 2025
(2)	Internal Control Report and the attachments thereto			Filed with the Director of the Kanto Local Finance Bureau on June 25, 2025
(3)	Semiannual Securities Report and Confirmation Letter	(78th Fiscal Year)	From April 1, 2025 to September 30, 2025	Filed with the Director of the Kanto Local Finance Bureau on November 14, 2025
(4)	Extraordinary Report	Extraordinary Report on the Results of the Exercise of Voting Rights at General Meeting of Shareholders pursuant to Item 9-2, Paragraph 2, Article 19 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 26, 2025
		Extraordinary Report on the Change in Representative Directors pursuant to Item 9, Paragraph 2, Article 19 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on February 25, 2026
(5)	Share Repurchase Report	Reporting Period	From June 1, 2025 to June 30, 2025	Filed with the Director of the Kanto Local Finance Bureau on July 9, 2025
		Reporting Period	From July 1, 2025 to July 31, 2025	Filed with the Director of the Kanto Local Finance Bureau on August 12, 2025
		Reporting Period	From August 1, 2025 to August 31, 2025	Filed with the Director of the Kanto Local Finance Bureau on September 9, 2025
		Reporting Period	From September 1, 2025 to September 30, 2025	Filed with the Director of the Kanto Local Finance Bureau on October 9, 2025
		Reporting Period	From October 1, 2025 to October 31, 2025	Filed with the Director of the Kanto Local Finance Bureau on November 12, 2025
		Reporting Period	From November 1, 2025 to November 30, 2025	Filed with the Director of the Kanto Local Finance Bureau on December 9, 2025
		Reporting Period	From December 1, 2025 to December 31, 2025	Filed with the Director of the Kanto Local Finance Bureau on January 7, 2026

Reporting Period	From January 1, 2026 to January 31, 2026	Filed with the Director of the Kanto Local Finance Bureau on February 10, 2026
Reporting Period	From February 1, 2026 to February 28, 2026	Filed with the Director of the Kanto Local Finance Bureau on March 12, 2026
Reporting Period	From March 1, 2026 to March 31, 2026	Filed with the Director of the Kanto Local Finance Bureau on April 6, 2026

Part II 【Information on Guarantors etc. for the Company】

Not applicable.

NOTE TO READERS:
Following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

June 26, 2026

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Shinichi Ishihara

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

<Audit of Consolidated Financial Statements>

Opinion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Wacoal Holdings Corp. and its subsidiaries (the "Group") included in the Financial Section, namely, the consolidated statement of financial position as of March 31, 2026, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the fiscal year from April 1, 2025 to March 31, 2026, and notes to the consolidated financial statements.

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, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements.

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, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, 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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of goodwill related to WACOAL EUROPE LTD.(Note 15)	
Key Audit Matter Description	**How the Key Audit Matter Was Addressed in the Audit**
As of March 31, 2026, the goodwill recorded on the consolidated statement of financial position was the goodwill allocated to WACOAL EUROPE LTD in the amount of ￥15,497 million, or 5.3% of total assets. The Group has applied International Financial Reporting Standards and as described in Note 3. Significant Accounting Policies (7) Goodwill and Intangible assets, and (16) Impairment of non-financial assets, impairment tests at the cash-generating unit level, which includes goodwill, at each period and whenever an indication of impairment exists. If the carrying amount of a cash-generating unit exceeds the recoverable amount as a result of the impairment test, the carrying amount is reduced to the recoverable amount and the reduction in the carrying amount is recognized as an impairment loss. When conducting the impairment test, the Group estimates the recoverable amount as the higher of the value in use or the fair value less disposal costs. The Group uses an expected present value method to estimate the recoverable amount in performing the impairment test. Future cash flows used to estimate the recoverable amount are based on a five-year business plans approved by management with the terminal value reflecting the average long-term growth rate in the relevant market. The Group conducted the impairment test and, as a result, recognized an impairment loss of ¥1,006 million. The business plans include significant assumptions such as the feasibility of sales volumes expansion measures consisting mainly of promoting merchandising strategies to meet the diverse values of customers and accelerating the EC focused business model. The significant assumptions also include market growth rates in the United Kingdom, Europe and North America where they operate. Although these significant assumptions are determined using the best estimates and judgments based on the business plans approved by management as well as their actual results, they may be affected by changes in the market environment and involve uncertainty. Therefore, estimates and judgments made by management have a significant impact on the estimated recoverable amount. In addition, the discount rate used to estimate the recoverable amount requires a high degree of expertise in valuation for selecting the calculation method and the input data of significant assumptions. Based on the above, we identified the valuation of goodwill as a key audit matter.	Our audit procedures related to the reasonableness of the estimate of the recoverable amount included the following, among others: 1.Evaluate internal control We evaluated the design and operating effectiveness of the controls over the calculation of the recoverable amount, including significant assumptions. In this assessment, we focused our testing on controls relevant to the reasonableness of estimated future cash flows. 2.Evaluate the reasonableness of the estimate of the recoverable amount We read the report related to impairment tests of goodwill prepared by management. We determined its consistency with significant assumptions used in the business plans approved by management. In addition, we inquired of management regarding the estimate of the recoverable amount to obtain an understanding of the significant assumptions and evaluated the reasonableness of the estimate of the recoverable amount by performing the following procedures: ● We obtained an understanding on various measures to expand the sales volume through inquiries of management, compared business plans for merchandising strategies and the EC focused business model prepared in prior years with actual results, and evaluated management's ability to accurately estimate the feasibility of increased sales volume. ● We evaluated management's estimates of market growth rates in the United Kingdom, Europe and North America where they operated by comparing them with our own growth rates forecasts developed using the retail industry data published by external organizations with the assistance of our valuation specialists. ● We performed sensitivity analyses to assess the impact of the discount rates on the recoverable amount. In addition, we evaluated the reasonableness of the method of calculating the discount rate and compared it with discount rates independently developed using market data and our own assumptions with the assistance of our valuation specialists.

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 Annual Securities Report, but does not include the consolidated financial statements and our auditor's report thereon.

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 IFRS Accounting Standards as issued by the IASB, 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 IFRS Accounting Standards as issued by the IASB.

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 IFRS Accounting Standards as issued by the IASB, 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.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Audit of Internal Control>

Opinion

Pursuant to the second paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of Wacoal Holdings Corp. as of March 31, 2026.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of Wacoal Holdings Corp. as of March 31, 2026, is effectively maintained, presents fairly, in all material respects, the results of the assessment of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Internal Control Audit section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, including the ethical requirements that are relevant to audits of the financial statements of public interest entities, 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.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for Report on Internal Control

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with assessment standards for internal control over financial reporting generally accepted in Japan. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting. There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether management's report on internal control over financial reporting is free from material misstatement and to issue an auditor's report that includes our opinion.

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

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in management’s report on internal control. The procedures selected depend on the auditor's judgment, including the significance of effects on reliability of financial reporting.

- Examine representations on the scope, procedures and results of the assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.

- Plan and perform the internal control audit to obtain sufficient appropriate audit evidence regarding the results of the assessment of internal control over financial reporting. We are responsible for the direction, supervision and review of the internal control 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 internal control audit, result of the internal control audit, including any identified material weakness which should be disclosed and the result of remediation.

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.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2026, which were charged by us and our network firms to Wacoal Holdings Corp. and its subsidiaries are disclosed in “(3) Status of Audits” in Corporate Governance, etc. included in “Information on the Company” of the Annual Securities Report.

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 Financial Instruments and Exchange Act of Japan for the conveniences of the reader.

【Cover】

【Document Filed】	Internal Control Report (“Naibutosei Hokokusho”)
【Applicable Law】	Paragraph 1, Article 24-4-4 of the Financial Instruments and Exchange Act
【Filed to】	Director, Kanto Local Finance Bureau
【Filing Date】	June 26, 2026
【Company Name】	*KABUSHIKI KAISHA* WACOAL HOLDINGS
【Company Name in English】	WACOAL HOLDINGS CORP.
【Position and Name of Representative】	Masaaki Yajima, Representative Director, President and Corporate Officer of the Company
【Position and Name of Chief Financial Officer】	Akira Miyagi, Director
【Address of Head Office】	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto
【Place Where Available for Public Inspection】	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING (TRANSLATION)

NOTE TO READERS

Following is an English translation of management's report on internal control over financial reporting ("ICFR") filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

There are differences between management's assessment of ICFR under the Financial Instruments and Exchange Act ("ICFR under FIEA") and one conducted under the attestation standards established by the American Institute of Certified Public Accountants ("AICPA").

In management's assessment of ICFR under FIEA, there is detailed guidance on the scope of management's assessment of ICFR, such as quantitative guidance on business unit selection and/or account selection. In management's assessment of ICFR under the attestation standards established by the AICPA, there is no such detailed guidance. Accordingly, based on the quantitative guidance which provides an approximate measure of the scope of the assessment of internal control over business processes, we designated the business units that accounted for approximately two-thirds of the aggregated sales for the previous fiscal year on a consolidated basis as "significant business units" which should be subject to management's assessment of the process-level controls.

1.【Matters Relating to the Basic Framework for Internal Control over Financial Reporting】

Masaaki Yajima, President and Representative Director, and Akira Miyagi, Director, are responsible for designing and operating effective ICFR of Wacoal Holdings Corp. (the "Company"), and have designed and operated ICFR in accordance with the basic framework for internal control set forth in "On the Revision of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" published by the Business Accounting Council.

The internal control is designed to achieve its objectives to the extent reasonable through the effective function and combination of its basic elements. Therefore, there is a possibility that misstatements may not be completely prevented or detected by ICFR.

2.【Matters Relating to Scope of Assessment, the Assessment Date, and Assessment Procedures】

The assessment of ICFR was performed as of March 31, 2026. The assessment was performed in accordance with assessment standards for ICFR generally accepted in Japan.

In conducting this assessment, we evaluated internal controls which may have a material effect on the entire financial reporting in a consolidation ("company-level controls") and, based on the result of this assessment, we appropriately selected business processes to be evaluated, analyzed these selected business processes, identified key controls that may have a material impact on the reliability of our financial reporting, and assessed the design and operation of these key controls. These procedures have allowed us to evaluate the effectiveness of the internal controls.

We determined the required scope of the assessment of ICFR for the Our group from the perspective of the materiality that may affect the reliability of our financial reporting. We determined the materiality that may affect the reliability of the financial reporting taking into account the materiality of quantitative and qualitative impacts and likelihood. We confirmed that we had reasonably determined the scope of assessment of internal controls over business processes in light of the results of the assessment of company-level controls conducted for the Company, its consolidated subsidiaries and equity method associated companies. Furthermore, consolidated subsidiaries and equity method associated companies that have neither significant monetary or qualitative impact nor likelihood of such impact in the future are not included in the scope of evaluation of company-level controls.

Regarding the scope of evaluation of internal control over business processes, since textile product sales is the Our group’s central business activity, the Our group uses consolidated revenue, representing the size of the business operation, as the metric for selection of important business locations. Considering the favorable evaluation of company-level controls, we have selected the Company, five domestic group companies, and three overseas group companies, which collectively account for approximately two-thirds of consolidated revenue, as “important business locations.” For account items that are significantly related to the business purpose of the Our group, we have targeted the evaluation of business processes leading to revenue, accounts receivable - trade, and inventories, which are account balances recorded in large amounts for the sales activities of textile products. Furthermore, within the broader scope of evaluation that goes beyond the business locations selected using consolidated revenue as a metric to include other business locations as well, the Our group has added the “goodwill” evaluation process, which is related to significant accounting items that carry a high risk of material misstatement and involve estimates and forecasts, due to this account item’s considerable impact on financial reporting, and treats this process as a business process having significant importance.

3.【Matters Relating to the Results of Assessment】

As a result of the assessment above, we concluded that our ICFR was effective as of March 31, 2026.

4.【Supplementary Matters】

Not applicable.

5.【Special Information】

Not applicable.