Annual Securities Report

(The 76th Fiscal Year)
From April 1, 2023 to March 31, 2024

WACOAL HOLDINGS CORP.

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

E00590

The 76th Fiscal Year (from April 1, 2023 to March 31, 2024)

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 Local Finance Bureau of Japan on June 25, 2024.

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”) 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, Kanto Local Finance Bureau
【Filing Date】	June 25, 2024
【Fiscal Year】	The 76th Fiscal Year (from April 1, 2023 to March 31, 2024)
【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) 682-1007
【Contact Person】	Shimpei Yuguchi, General Manager of Accounting Department
【Contact Address】	29, Nakajima-cho, Kisshoin, Minami-ku, Kyoto
【Phone No.】	Kyoto (075) 682-1007
【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")			
		76th	75th	74th	Transition date
Year-End		March 2024	March 2023	March 2022	April 1, 2021
Revenue		187,208	188,592	172,072	–
(Loss) profit before income taxes		(8,290)	(699)	4,083	–
(Loss) profit attributable to owners of parent		(8,632)	(1,643)	1,732	–
Comprehensive income attributable to owners of parent		16,645	4,169	10,476	–
Equity attributable to owners of parent		211,829	210,197	217,990	212,028
Total assets		294,029	285,659	299,177	319,215
Equity attributable to owners of parent per share	(yen)	3,846.66	3,623.29	3,546.96	3,396.76
Earnings per share attributable to owners of parent: Basic (loss)	(yen)	(151.62)	(27.44)	27.83	–
Earnings per share attributable to owners of parent: Diluted (loss)	(yen)	(151.62)	(27.44)	27.71	–
Ratio of equity attributable to owners of parent to total assets	(%)	72.0	73.6	72.9	66.4
Ratio of profit attributable to owners of parent to equity attributable to owners of parent	(%)	(4.1)	(0.8)	0.8	–
Price earnings ratio	(times)	–	–	66.19	–
Net cash provided by operating activities		11,291	7,334	16,622	–
Net cash (used in) provided by investing activities		14,048	3,902	(3,042)	–
Net cash (used in) provided by financing activities		(20,211)	(22,541)	(41,007)	–
Cash and cash equivalents, end of year		33,547	26,781	37,485	63,987
Number of employees [Average number of part-time employees, etc.]	(number of persons)	17,408 [348]	19,147 [482]	19,717 [730]	19,824 [492]

(Notes)
1. The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) 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.

(Millions of yen, unless otherwise stated)

Fiscal Year		U.S. GAAP		
		74th	73rd	72nd
Year-End		March 2022	March 2021	March 2020
Revenue		172,860	152,204	186,760
Operating income (loss)		5,013	(1,115)	6,632
Net income attributable to Wacoal Holdings Corp.		4,608	7,025	3,472
Comprehensive income		11,929	13,043	1,521
Wacoal Holdings Corp. shareholders' equity		223,005	215,612	205,371
Total assets		303,245	322,761	277,688
Shareholders' equity per share	(yen)	3,628.56	3,454.18	3,291.06
Net income per share attributable to Wacoal Holdings Corp.	(yen)	74.04	112.57	54.26
Diluted net income attributable to Wacoal Holdings Corp. per share	(yen)	73.73	112.09	54.05
Shareholders' equity ratio	(%)	73.5	66.8	74.0
Return on equity	(%)	2.1	3.3	1.6
Price earnings ratio	(times)	24.88	21.81	43.25
Net cash provided by operating activities		13,008	4,260	13,325
Net cash (used in) provided by investing activities		(3,096)	(2,562)	2,569
Net cash (used in) provided by financing activities		(36,349)	33,605	(17,471)
Cash and cash equivalents, end of year		37,982	63,557	27,905
Number of employees [Average number of part-time employees, etc.]	(number of persons)	19,717 [730]	19,824 [492]	20,984 [675]

(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		76th	75th	74th	73rd	72nd
Year-End		March 2024	March 2023	March 2022	March 2021	March 2020
Operating revenue		7,276	6,772	6,196	16,429	13,346
Ordinary income		3,002	2,473	1,682	12,048	9,111
Net income		2,817	4,458	2,749	11,544	8,762
Common stock		13,260	13,260	13,260	13,260	13,260
Total number of issued and outstanding shares	(thousand shares)	61,000	64,500	65,589	65,589	68,589
Net assets		118,310	130,602	138,332	140,106	130,996
Total assets		154,073	154,705	165,180	191,737	156,000
Net assets per share	(yen)	2,139.06	2,242.19	2,241.50	2,235.07	2,090.11
Dividends per share (Interim dividends per share)	(yen)	100.00 (50.00)	80.00 (40.00)	50.00 (20.00)	40.00 (20.00)	60.00 (40.00)
Net income per share	(yen)	49.50	74.46	44.18	184.98	136.93
Diluted net income per share	(yen)	49.29	74.15	43.99	184.16	136.39
Shareholders' equity ratio	(%)	76.5	84.1	83.4	72.8	83.6
Return on equity	(%)	2.3	3.3	2.0	8.6	6.6
Price earnings ratio	(times)	75.03	33.40	41.69	13.27	17.14
Dividend payout ratio	(%)	202.0	107.4	113.2	21.6	43.8
Number of employees [Average number of part-time employees, etc.]	(number of persons)	98 [–]	112 [–]	90 [–]	85 [–]	94 [–]
Total shareholders' return	(%)	146.9	98.7	72.4	92.8	87.5
(Benchmark: TOPIX incl. dividends)	(%)	(196.2)	(138.8)	(131.2)	(128.6)	(90.5)
Highest share price	(yen)	3,821	2,596	2,612	2,537	3,115
Lowest share price	(yen)	2,471	1,784	1,687	1,630	2,110

(Notes)
1. The highest and lowest share prices shown are market prices on the Prime Market of the Tokyo Stock Exchange from April 4, 2022 and on the First Section of the Tokyo Stock Exchange before then.
2. The amount of dividends per share for the 72nd fiscal year includes the 70th anniversary dividend of 8.00 yen.

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 (currently 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
July 2019	Intimates Online, Inc. became a wholly owned Wacoal subsidiary through the acquisition of all of the issued and outstanding shares
April 2022	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

3. 【Business Overview】

Our corporate group consists of one holding company (Wacoal Holdings Corp.), 49 subsidiaries, and 8 associates, and is principally engaged in the manufacturing and wholesale distribution 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, service, and interior design 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 retail sales of innerwear, outerwear products.

(2) Wacoal Business (Overseas)

This segment is composed of 36 companies, including our overseas subsidiaries and associates.

Among our 30 overseas subsidiaries, 8 companies are located in North and Central America; 6 companies are located in Europe; and 16 companies are located in Asia/Oceania. 6 overseas associates are located in Asia.

Among our 8 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 6 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.

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 make investments in the local subsidiaries and local associates that manufacture and sell innerwear.

(3) Peach John

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 retail sales of products that are independently supplied mainly from non-group companies.

(4) Other

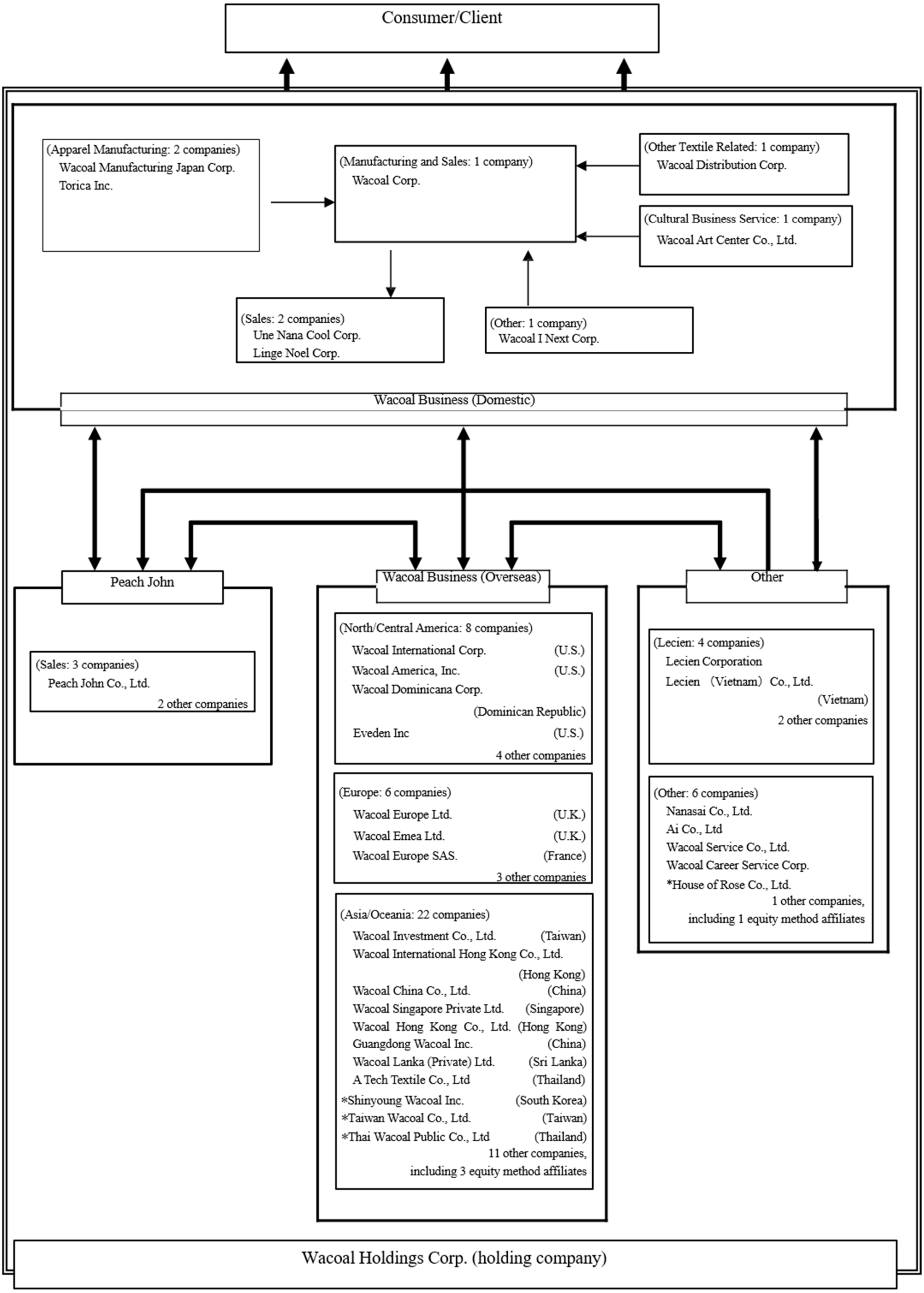
This segment is composed of a total of 10 companies, including 5 domestic subsidiaries, 3 overseas subsidiaries, 1 domestic associate and 1 overseas associate.

Among the 5 domestic subsidiaries, Nanasai Co., Ltd. ("Nanasai") engages in manufacturing, sales and rental of mannequins and fixtures, and interior design work and Lecien Corporation engages in the manufacture and wholesale distribution of women's innerwear and lace and fabrics for handicrafts. Our 3 other subsidiaries engage in sales, other textile-related business, real estate leasing business, and/or other businesses.

3 overseas subsidiaries are located in Asia.

2 of our subsidiaries in Asia are apparel manufacturing companies. The other 1 subsidiary engage in other textile-related business.

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	2	Rent of office building
Peach John Co., Ltd.	Minato-ku, Tokyo	90	Peach John (Product planning and sale of innerwear products)	100	2	–
Lecien Corp.	Minami-ku, Kyoto	90	Other (Product planning and sale of innerwear products, etc.)	100	2	Rent of office・storage building
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	–
Nanasai Co., Ltd.	Minami-ku, Kyoto	90	Other (Leasing of mannequins, interior design and construction work of stores)	99	2	Rent of office building
*1 Wacoal International Corp.	New York, USA	20,000 thousand USD	Wacoal Business (Overseas) (a US holding company)	100 (100)	2	–
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	2	–
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)	–	–
Wacoal Hong Kong Co., Ltd.	Hong Kong	3,000 thousand HK$	Same as above	80 (80)	1	–
*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)	2	–
Vietnam Wacoal Corp.	Bien Hoa, Vietnam	54,604 million VND	Wacoal Business (Overseas) (MTO and sale of innerwear products)	100 (100)	1	–
Wacoal Investment Co., Ltd.	Taipei, Taiwan	59,000 thousand NT$	Wacoal Business (Overseas) (a Taiwan holding company)	100 (100)	2	–
Guandong Wacoal Inc.	Guangzhou, China	17,730 thousand RMB	Wacoal Business (Overseas) (MTO of innerwear products)	100 (100)	1	–
*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)	1	–
30 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	–
3 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 name of operating segments is 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. Wacoal Corp.'s revenue (excluding the internal revenue recorded among consolidated subsidiaries) account for more than 10% in our consolidated revenue.

Key Income Summary
<Japanese GAAP>

(i) Revenue	90,666 million yen
(ii) Ordinary income	4,838 million yen
(iii) Net income	8,883 million yen
(iv) Net assets	107,367 million yen
(v) Total assets	141,034 million yen

5. 【Employees】

(1) Employees within group

As of March 31, 2024

Name of Operating Segment	Number of Employees
Wacoal Business (Domestic)	5,880 [201]
Wacoal Business (Overseas)	10,176 [37]
Peach John	402 [30]
Other	950 [80]
Total	17,408 [348]

(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 consolidated fiscal year.
2. Temporary employees include temporary staff and part-time workers whose working period is about 3 months.

(2) Employees of the Company

As of March 31, 2024

Number of Employees	Average Age	Average Years of Service	Average Annual Salary (Yen)
98	46.0	19.2	5,762,700

(Notes)
1. The number of employees is the number of individuals working within the Company.
2. The average annual salary includes bonus and extra wages.
3. All employees of the Company belong to the Wacoal Business (Domestic) segment.

(3) 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.

(4) Ratio of female employees in managerial positions, ratio of male employees taking child-rearing leave, and differences in wages between male and female employees

1. The Company

Current Fiscal Year				
Ratio of Female Employees in Managerial Positions (%) (Note 1)	Ratio of Male Employees Taking Child-rearing Leave (%) (Note 2)	Differences in Wages between Male and Female Employees (%) (Note 1)		
		All Employees	Full-time Employees	Part-time/fixed-term contract employees
27.6	50.0	59.4	62.1	61.9

(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 figure shown is the ratio of male employees who have taken "childcare leave, etc." as set forth in Paragraph 1, Article 71-4 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).

3. Part-time/fixed-term contract employees comprise contract employees and post-retirement rehires.

2. Our Consolidated Subsidiaries

Current Fiscal Year						Supplemental Explanation
Name of Company	Ratio of Female Employees in Managerial Positions (%) (Note 1)	Ratio of Male Employees Taking Child-rearing Leave (%) (Note 2)	Differences in Wages between Male and Female Employees (%) (Note 1)			
			All Employees	Full-time Employees	Part-time/fixed-term contract employees	
Wacoal Corp.	32.2	66.7	49.2	50.0	60.2	(Notes 3, 4)
Peach John Co., Ltd.	68.1	-	24.4	53.7	-	
Lecien Corporation	10.0	0.0	75.3	79.1	-	
Wacoal Manufacturing Japan Corp.	0.0	2.3	76.9	74.9	97.9	
Torica Inc.	20.0	0.0	60.1	58.2	91.9	
Nanasai Co., Ltd.	12.0	0.0	69.4	65.8	105.0	
Wacoal Distribution Corp.	0.0	-	47.3	81.4	88.7	
Wacoal Career Service Corp.	33.3	0.0	84.6	88.2	-	
Wacoal Art Center Co., Ltd.	57.1	-	54.1	54.8	-	
Ai Co., Ltd.	55.6	-	52.2	75.1	67.1	

(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 71-4 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).
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	93.2	70.0	–

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 of the formulation

With the aim of putting the WACOAL Way into practice, 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 following 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

Key indicators (fiscal year ending March 2031):

Revenue	270 billion yen (Percentage of sales from overseas operations is 40%)
(Reference) Group sales including unconsolidated joint ventures	340 billion yen
Operating profit (margin)	27 billion yen (10%)
ROE	10%

Priority strategies:

<table>
<tr><th colspan="2">Priority strategies</th><th>Materialities (material issues)</th></tr>
<tr><td rowspan="4">Promote Sustainability Management</td><td>Improve domestic profitability and expand our business areas</td><td>Grow steadily in Japan and create new businesses in the health area
・ Restore our domestic market shares by promoting our customer experience strategy
・ Expand the areas we do business in within the beauty, comfort and health fields</td></tr>
<tr><td>Expand overseas businesses and transform them into high-revenue structures</td><td>Continue expanding in areas we have entered and grow in the European and Indian markets
・ Strengthen digital marketing to acquire new customers
・ Strengthen customer relationship management to make existing customers loyal
・ Strengthen brand investment in new markets</td></tr>
<tr><td>Strengthen the Group’s management capabilities</td><td>Strengthen the Group’s corporate governance and develop and utilize diverse human resources and establish both domestic and overseas technology, production and R&D bases
・ Redefine our quality standards, make sewing factories into smart factories, and pursue production and shipping efficiency</td></tr>
<tr><td>Shift to more capital-efficient management</td><td>Continuously generate ROE that exceeds capital cost and optimize how we distribute value to stakeholders
・ Work to achieve ROE of 10% and optimize the capital structure</td></tr>
</table>

(3) Revised Medium-Term Management Plan (fiscal year ended March 31, 2024 to fiscal year ending March 31, 2026)

(i) Background of the formulation

Meanwhile, in response to the financial results during the fiscal year ended March 2023 falling short of the plan by considerable margin, our group reviewed the medium-term management plan (referred to as “the revised medium-term management plan” hereinbelow) which was disclosed in November 2023. Under the revised medium-term management plan, we will implement “business model reforms to improve profitability,” “growth strategy to achieve VISION2030,” “introduction of ROIC management” and “promotion of asset reduction” to make progress in re-developing supply chain management and strengthening our management platform, in order to improve profitability and capital efficiency and enhance the effectiveness of our strategy. We will also seek to evolve into Wacoal Group that is capable of offering products and services that can contribute to customers’ individuality on a continuing basis, by supporting our employees’ taking on challenges and their growth.

(ii) Overall picture

Basic policy: To shift to a structure that can steadily generate cash to improve the probability of achieving “VISION2030”

Priority strategies: To work to improve and enhance profitability and capital efficiency, and evolve into a company that is capable of making necessary growth investment for sustainable enhancement of corporate value and continuing to provide returns to stakeholders

Business Model Reforms	**To implement business model reforms (supply chain management reform and cost structure reform) to recover base profitability** **<u>Supply chain management reform</u>** ・Implementing SCM* reforms at Wacoal (Japan) to respond quickly to changes in customer needs and the market environment * SCM: supply chain management ・With the use of digital technology to build SCM linked to demand from the customer's point of view, thoroughly selecting and focusing to optimize the cost structure **<u>Cost structure reform</u>** ・In order to restore Wacoal (Japan)'s basic profitability, a radical cost structure reform will be implemented **<u>Dealing with unprofitable businesses</u>** ・Examine the future ideal state of each business and determine an action plan for the continuation, sale, or withdrawal of each business
Growth Strategy	**To execute a brand strategy and customer strategy that capitalize on the power of digital and our strengths, for the next stage of growth** **<u>Domestic business:</u>** ・To meet diversifying customer needs, we will contribute to the "beauty, comfort, and health of each customer" Customer strategies We aim to improve LTV through personalized customer experiences by using accumulated digital assets Brand strategies Through brand management from a "customer's point of view," we develop attractive brands with clear value Focus segments Strengthening strategies tailored to market segments in the innerwear business (reinforcing high premium and affordable markets) Leveraging our strengths to reinforce our sports and health businesses to maximize market opportunities Focus channels Implementing measures to strengthen the channel for Wacoal EC, other companies EC, and directly managed stores **<u>Overseas business:</u>** ・Amid an uncertain business environment, we will first work to improve our management infrastructure and execute growth strategies for the next medium-term management plan Brand strategies Expanding contact points with new customers by developing and selling new products based on market analysis in China and other countries in Asia In Europe and the U.S., we will promote brand strategies to meet the diverse values of customers Efforts to strengthen EC business Wacoal EC: Enriching original content such as membership programs and strengthening cooperation with physical stores Other companies EC: Strategically strengthen cooperation with EC marketplaces Developing emerging areas Formulating and promoting growth strategies in regions with growth potential, such as Germany, France and India

Introducing ROIC Management	**Introducing ROIC management to improve capital efficiency and achieve a robust corporate structure** ・In addition to portfolio management, it is also used as a means of performance management to accurately measure results, and quantitatively link improvement activities on the ground with improvements in profitability and capital efficiency expected by investors and other stakeholders
Promoting Asset Reduction	**In order to improve asset and capital efficiency, the Company's basic policy is to sell any assets that do not contribute to raising corporate value** ・When selling, we will search for investment opportunities that will contribute to business growth, and determine the businesses that should be invested in from the perspective of ROIC Reducing inventories Reducing inventories through business model reforms (supply chain management reform and cost structure reform) Appropriate disposal of inventory resulting from the withdrawal and consolidation of unprofitable brands Reducing strategic shareholdings Gradually selling the shareholdings that we have agreed to sell Streamlining real estate holdings As for real estate that does not contribute to enhancing corporate value, we will proceed with consideration based on the basic policy of selling

Key indicators (fiscal year ending March 2026):

The revised medium-term management plan aims to achieve ROE of 7% and PBR of 1 time or more in March 2026, its final year, by striving to improve capital efficiency while working to strengthen our responsiveness to changes in customer needs and our profitability through the execution of business model reforms and a growth strategy.

Our group has decided to introduce ROIC management to improve capital efficiency and realize robust corporate structure. We will use it not only for managing enterprise-wide financial targets, but also as a means of performance management to accurately measure results and quantitatively link improvement activities on the ground with improvements in profitability and capital efficiency expected by investors and other stakeholders.

Revenue	203 billion yen
Operating profit (margin)	13 billion yen (6.4%)
ROE	7%
ROIC	6% to 7%
EPS	200 yen or more

Inventories	・Wacoal Corp.: Inventory turnover ratio of 2.5 times during fiscal year ending March 2026
Strategic shareholdings	・To sell strategic shareholdings worth approx. 30 billion yen (to reduce to below 10% of net assets by fiscal year ending March 2026)
Real estate holdings	・To consider liquidation of real estate holdings that do not contribute to enhancement of corporate value in accordance with the basic policy

Financial policies:

1. To improve profitability through business model reforms and a growth strategy as a top priority, while at the same time promoting reduction of inventories, reduction of strategic shareholdings, and streamlining of real estate holdings 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 ended March 31, 2024 to fiscal year ending March 31, 2026):

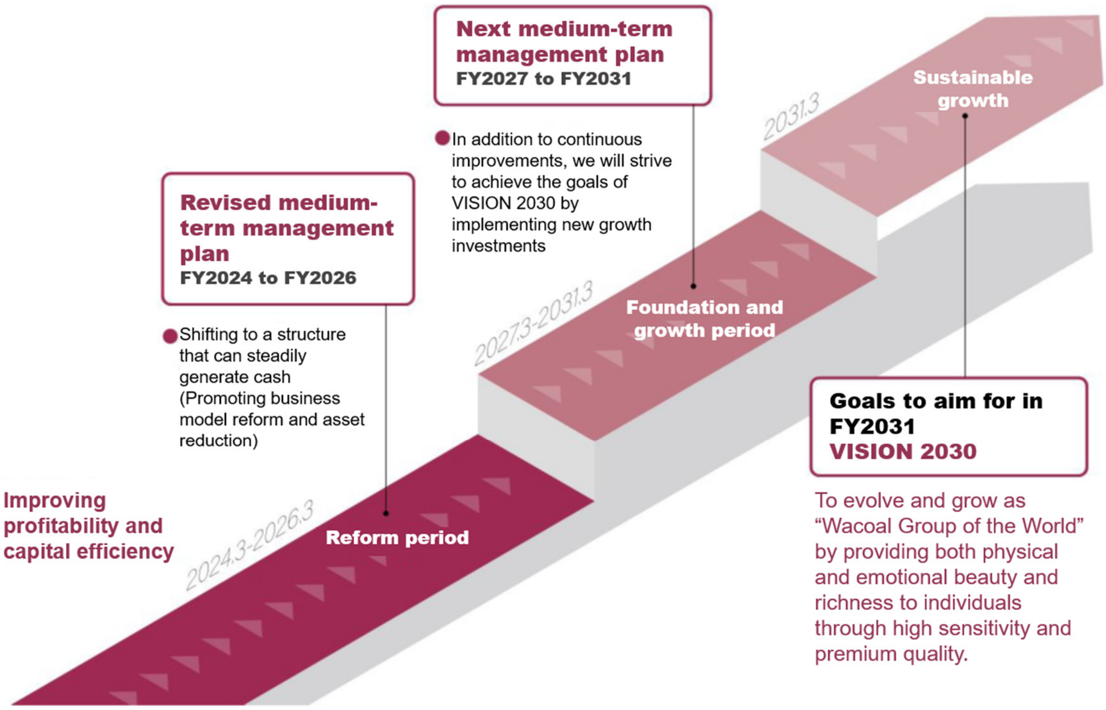
During the period of the revised medium-term management plan, we will promote reduction of inventories, reduction of strategic shareholdings, and streamlining of real estate holdings, while striving to improve profitability through structural reforms. We will actively return the cash generated thereby 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.

(Billions of Yen)

Cash inflow	Net income (excluding impairment losses)	10.0
	Depreciation costs (excluding lease liabilities)	20.0
	Asset reduction and debt utilization	80.0
	Cash generated during the three-year period: Approx. 110 billion yen	
Cash outflow	Investment in new / existing businesses	40.0
	Returning dividends	15.0
	Share repurchase	55.0

(iii) Positioning of the revised medium-term management plan in “VISION2030”

The period of the revised medium-term management plan is viewed as a reform period to achieve “VISION2030,” and we plan to improve profitability and capital efficiency by steadily implementing various measures according to the plan. Further, the next medium-term management plan period and beyond are considered as a “foundation and growth period.” We will reap the results of reforms to be implemented under the revised medium-term management plan, and actively make investment for the next stage of growth. We will increase the probability of achieving the “VISION2030” targets by improving the effectiveness of management through the implementation of the revised medium-term management plan.



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

Our group will promote initiatives for enhancement of corporate value under the revised medium-term management plan which was announced on November 9, 2023. In order to enhance corporate value (improve PBR), we aim to realize “improved ROE” in excess of capital cost (about 6%) and “improved PER based on the expectation for continuing and future growth” by steadily implementing various measures set out under the revised medium-term management plan, and achieve ROE of 10% or more over the medium term.

In response to Tokyo Stock Exchange’s request for disclosure on “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” information on our initiatives aimed at improving capital efficiency as well as targets for ROE, ROIC and others for fiscal year ending March 2026 are published on our website as below:

https://www.wacoalholdings.jp/en/ir/management/mid_term_plan/

https://www.wacoalholdings.jp/en/ir/library/strategy/files/wacoalpresentation20231117en.pdf

(v) Policy for Fiscal Year ending March 2025

For the fiscal year ending March 2025, our group is promoting initiatives for “business model reforms to improve profitability,” “growth strategy to achieve VISION2030,” “introducing ROIC management,” and “promoting asset reduction” under the theme of “shifting to a structure that can steadily generate cash” in accordance with the revised three-year medium-term management plan revised in November 2023.

In the domestic business, we have set recovering base profitability as a priority issue and will accelerate cost structure reform. Since sharp increases in raw materials and other costs are expected to continue due to continuing depreciation of Japanese yen, we will consider and implement price revisions and additional measures for reducing costs of sales to minimize such impact. Further, in order to evolve into a company that is capable of responding to changes in customer needs and market environment promptly and offering products and services that can contribute to customers’ individuality on a continuing basis, we will review our supply chains and promote initiatives for strengthening the performance management system.

In the overseas business, it is assumed that the unstable business environment will be prolonged due to geopolitical risks, as well as continuing increases in prices and the risk of economic slowdown due to resulting monetary tightening and other factors. Therefore, while working on the improvement of our management base, each of our main companies will continue initiatives aimed at expanding contact points with customers by utilizing digital to realize growth in e-commerce business.

As announced in "Notice Concerning Share Transfer Involving a Change in Consolidated Subsidiaries (*)" on May 15, 2024, Nanasai Co. Ltd. ("Nanasai") is excluded from the scope of consolidation of the Company as a result of the transfer of shares. The impact of this share transfer has already been factored into the full-year consolidated results forecast for fiscal year ending March 2025.

Based on the above initiatives, we expect revenue of 183 billion yen, operating profit of 2 billion yen, profit before income taxes and equity in net income of associated companies of 3.8 billion yen, and net profit attributable to owners of parent of 3.2 billion yen for the consolidated business results for the fiscal year ending March 2025. Revenue is planned to decrease due to the impact of structural reforms (aggregation of product numbers and withdrawal from unprofitable stores) at Wacoal and the transfer of the shares of Nanasai despite a positive effect from foreign exchange. Operating profit is expected to be 2 billion yen due to impairment loss on goodwill in relation to Wacoal International Corp. (U.S.) as a result of the business withdrawal and liquidation of Intimates Online Inc. ("IO, Inc.") during the previous fiscal year and the reversal of the costs of structural reforms at Wacoal Corp., in addition to the effect of increased sales resulting from the implementation of the growth strategy.

We formulated our plan for the fiscal year ending March 2025 using the key exchange rates of 145.00 yen to the U.S. dollar; 191.00 yen to the Sterling pound; and 21.00 yen to the Chinese yuan.

* "Notice Concerning Share Transfer Involving a Change in Consolidated Subsidiaries" of May 15, 2024
https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20240515_6en.pdf

Key indicators (fiscal year ending March 2025):

Revenue	183 billion yen
Operating profit (margin)	2 billion yen (1.1%)
ROE	1 to 2.0%
ROIC	1 to 2.0%
EPS	60 yen

Inventories	・Wacoal Corp.: Inventory turnover ratio of 2.28 times during fiscal year ending March 2025
Strategic shareholdings	・To sell strategic shareholdings worth approx. 20 billion yen
Real Estate Holdings	・To consider liquidation of real estate holdings that do not contribute to enhancement of corporate value in accordance with the basic policy

(4) Issues to be addressed

The group's issues to be addressed are described as follow.

(i) Domestic: To shift to a business model that is capable of responding to diversifying customer needs and shorter trend cycles

We will transform ourselves into a business model that is capable of responding to diversifying customer needs and shorter trend cycles, to achieve a recovery and expansion in top line which has been gradually declining and recover our profitability. By reviewing the uniform product mix and delivery style of new products, we will establish a model that reliably delivers top-selling products to stores to reduce missed sales opportunities. We will also change to a production system to match the demand situation at the store, from the conventional batch production system, to improve the supply ratio for top-selling products. With respect to product planning and development, we will shorten development and delivery lead-time by utilizing existing patterns and reviewing business processes such as planning and development meetings, to accelerate the speed of launching products that capture customer needs and improve sales activities.

(ii) Domestic: To execute "brand strategy" and "customer strategy" that capitalize on the power of digital and our strengths

In order to evolve into a company that is capable of offering products and services that can contribute to customers' individuality on a continuing basis, we will implement customer-driven brand management to develop highly attractive brands with clear value offered We will also promote customer-driven DX to build deep, broad long-lasting relationships with customers and offer optimal customer experience. With respect to customer-driven DX, we will utilize digital to analyze "customers' voice" and "sales staff's knowledge in customer service," in addition to purchase history data, for use in providing customer experience. Further, we provide highly satisfactory customer experience throughout at physical stores and online by utilizing 3D measuring service and apps in addition to consulting service by our sales staff. Our sales staff also post product reviews online. Like these, we will promote initiatives aimed at improving customer experience from various angles.

(iii) Overseas: Execution of growth strategy toward the next medium-term management plan

In Europe and the U.S., we will promote the product strategy to respond to diverse values of customers, in addition to continuing to promote the initiatives to expand customer contact points utilizing digital for realizing growth in our e-commerce business and to expand sales areas and channels. In China, although the restrictions on activities due to COVID-19 were eased, response to changing consumer needs and consumer behaviors from the experience of COVID-19 has been inadequate and a recovery in profit has been slow. We will realize return to a growth path through the selection and concentration of businesses and, at the same time, implement cost structure reforms to increase business efficiency.

(iv) Governance: Improvement of profitability and capital efficiency through strengthening of our corporate management platform

Our group has decided to introduce ROIC management to improve capital efficiency and realize robust corporate structure. We will use ROIC not only for managing enterprise-wide financial targets, but also as a means of performance management to accurately measure results and quantitatively link improvement activities on the ground with improvements in profitability and capital efficiency expected by investors and other stakeholders.

(v) Other issues

Environment issues such as climate change and human rights issues are becoming increasingly serious, and we believe they require appropriate response and prevention. Our group will continue promote "sustainability management" that achieves both "resolution of social issues" and "sustainable growth" through our business activities, by viewing our efforts to address increasingly complicated and diversified social issues as future "growth opportunities." The Company will endeavor to achieve resolving social issues on one hand and sustainable growth on the other hand through our initiatives for "maximizing the 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 materiality (material issue) items.

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 Strategy

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 the Sustainability Committee in order to strengthen our response to important sustainability issues. The Sustainability Committee regularly holds a meeting on the same day as the meeting of the Board of Directors to formulate concrete measures to address sustainability issues, monitor progress and evaluate achievements. The Board of Directors receives reports from Representative Director, President and CEO, who is the chairperson of the Sustainability Committee, and gives instructions regarding our group’s policies and initiatives to address sustainability issues. (For the sustainability promotion organization chart, please refer to “IV. 【Information on the Company】, 4.【Corporate Governance, etc.】, (1)【Status of Corporate Governance】.”)

The Sustainability Committee met 7 times in total out of 17 meetings of the Board of Directors held during the fiscal year ended March 2024. It primarily shared issues in relation to “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 in responsible supply chains, etc.,” set targets for the period of the medium-term management plan, and discussed and managed progress of specific activities.

Subcommittees:

“Subcommittee for Carbon Neutral”

In order to reduce the environmental impact and environmental risk of Wacoal 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.

“Subcommittee for Resource Circulation”

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.

“Subcommittee for CSR Procurement”

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.

“Subcommittee for Human Rights, D&I”

In order to ensure that the obligations of respecting human rights under the Human Rights Policy is 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.

(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 following materialities (material issues) based on a materiality analysis (materiality assessment) of both “social and environmental issues to be solved” and “corporate growth.”

Materialities (material issues):

Target	Purpose	Materialities (material issues)
Customers	Maximize the value provided to customers	Enhancement of customer experience value by pursuing personalization
		Endeavoring to expand business areas
		Deepening of product quality and building of service quality
Employees	Achieve growth of each of our employees and establish a highly rewarding organization	Growth into human resources who can expand their potential and have confidence, pride, and success
		Building of an organization that can demonstrate great results through co-creation and collaboration
		Continuous improvement of employees’ health and health awareness
Environment	Preserve the environment globally for future generations	Promotion of business activities that reduce environmental impact
Society	Realize a society in which everyone plays an active role in their own way	Promotion of co-creation innovation to solve social issues
Governance	Enhance governance toward realization of sustainable growth	Implementation of highly transparent management
		Strengthening of the risk management system
		Continuous improvement of profitability and capital efficiency

(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 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 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.

(Reference) Initiatives on human rights due diligence

We conducted “human rights risk assessment” in October 2023 utilizing the knowledge of outside experts to understand potential human rights risks in our group’s supply chain in preparation for the launch of human rights due diligence. During “human rights risk assessment” we held cross-divisional workshops participated by Directors, Corporate Officers and the management to discuss on human rights risks in the process from procurement to sales and consumption, in addition to desktop surveys. We then discussed with third party organizations and identified human rights themes that need to be addressed by our group on a priority basis. Three human rights themes that need to be addressed by our group are as follows.

Human rights theme 1:	“Continuing understanding of human rights issues in our procurement supply chain”
Human rights theme 2:	“Improvement of workplace environment for employees in the workplace and sales staff at stores”
Human rights theme 3:	“Respect for consumers’ human rights and diversity”

During the fiscal year ending March 2025, the Subcommittee for CSR Procurement and the Subcommittee for Human Rights, D&I will cooperate to conduct survey on actual situations of rights holders in the procurement activities and implement dialogue (impact assessment), in preparation for the launch of human rights due diligence as stipulated by the Human Rights Policy. Further, at the same time as promoting the implementation of human rights education as stipulated by the Human Rights Policy, we will continue to promote initiatives aimed at respecting consumers’ human rights and diversity.

(iv) Benchmarks and Targets

In order to promote “sustainability management” and achieve “solving social issues” and “sustainable growth” through our business activities, we have established the following benchmarks for the “11 materialities (material issues).” Meanwhile, in response to the financial results during the fiscal year ended March 2023 falling short of the plan by considerable margin, our group revised the medium-term management plan which was disclosed in November 2023. As a result, we have also reviewed our target values for materialities (material issues). The numerical targets are scheduled to be disclosed during the fiscal year ending March 31, 2025.

Customers: Maximize the value provided to customers

	Materialities (Material Issues)	Concrete efforts toward the resolution of material issues	Non-financial targets by 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
			Increase in the number of people experiencing Wacoal's unique services that enhance the customer experience
		Creation of products that exceed expectations and are loved	Revitalization of the innerwear business by promoting the development of new products and services that utilize customer data
2	Endeavoring to expand business areas	Tackling challenges in new areas to support customers from every angle	Increase in growth and profitability in businesses other than women's innerwear
			Creation of new business to achieve well-being
			Expansion of internal resources into new fields
		Achievement of global growth to provide inspiration to customers around the world	Overseas business expansion
3	Deepening of product quality and building 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
			Maintenance and improvement of the quality of digital and over-the-counter services

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

	Materialities (Material Issues)	Concrete efforts toward the resolution of material issues	Non-financial targets by 2030
4	Growth into human resources who can expand their potential and have confidence, pride, and success	Growth into of human resources that proactively enhance self-proficiency and take on challenges with enthusiasm, regardless of generation or position	Enhancement of initiatives geared toward self-motivated career design and skill improvement
			Nurturing of human resources and creation of an environment in which employees can take on challenges with enthusiasm
5	Building of an 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
			Increase in the number of employees who can act with clarity on what the Company should be and its mission
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"
			Improve health literacy

Environment: Preserve the environment globally for future generations

	Materiality (Material Issues)	Concrete efforts toward the resolution of material issues	Non-financial targets by 2030
7	Promotion of business activities that reduce environmental impact	Fostering environmental awareness among both employees and consumers	Visualization of ecological activities in business activities
		Achievement of a decarbonized society	Realization of a decarbonized society and reduction in CO2 emissions
		Promotion of waste reduction	Reduction of product disposal rate
		Achievement of a society of recycling resources	Increase in rate of environment-friendly materials used

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

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

	Materiality (Material Issues)	Concrete efforts toward the resolution of material issues	Non-financial targets by 2030
8	Promotion of co-creation innovation to solve social issues	Contribution to the improvement of women's quality of life ("QOL")	Promotion of breast care activities
			Fulfillment of needs through products and services and development of ideas that contribute to improving women's QOL
			Contribution to women's QOL through ongoing dialogue with stakeholders
		Promotion of diversity and inclusion	Promotion of in-house enlightenment activities to foster an understanding of diversity-related issues such as gender
			Promotion of dialogue and co-creation activities with external stakeholders to foster an understanding of diversity-related issues such as gender
		Promotion of respect for human rights and CSR procurement activities	Establishment and implementation of human rights due diligence and promotion of human rights training
			Expansion of scope of CSR procurement activities

Governance: Enhance governance toward realization of sustainable growth

	Materialities (Material Issues)	Concrete efforts toward the resolution of material issues	Non-financial targets by 2030
9	Implementation of highly-transparent management	Maintenance and establishment of an optimal corporate governance system that will improve effectiveness	Implementation of Japan's Corporate Governance Code
			Demonstration of the Board of Directors' functions and promotion of diversity
			Ongoing improvement of the executive remuneration system to increase corporate value
			Establishment of fair and motivating evaluation and executive remuneration systems
10	Strengthening of the risk management system	Thorough compliance with laws and regulations and development of an organization with high ethical standards	Prevention of inappropriate behavior in corporate activities and enhancement of compliance awareness among all officers and employees
		Strengthening of organizational resilience by steadily responding to business risk	Review of selection methods and response policies for major risks, promotion of information security measures for digital transformation and communication technology operations, and enhancement of the business continuity plan (BCP)
11	Continuous improvement of profitability and capital efficiency	Execution of management strategies and clarification of roles and authorities	Strengthened management of key performance indicators and verification of cost-effectiveness to improve the effectiveness of medium- to long-term strategies
			Implementation of business portfolio management to realize growth
			Establishment of an executive structure for timely and appropriate decision-making

(Reference) Details of Activities of the Sustainability Committee (Subcommittees)

Subcommittee for CSR Procurement:

Purpose and Role	Promotion of CSR Procurement Activities (promoting responsible procurement activities)
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, 2024	・ Expansion of scope of CSR procurement activities (Started activities for monitoring of raw materials / dyeing factories) ・ Strengthened monitoring for the improved effectiveness of CSR procurement activities

Subcommittee for Human Rights, D&I:

Purpose and Role	Promotion of respecting human rights and D&I
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 D&I promotion
Details of Activities during the fiscal year ended March 31, 2024	・ Identified material risks through human rights risk assessment ・ Started a review with an aim to realize an inclusive sales floor environment

* Please see "(2) Response to Climate Change" for activities of the subcommittee for Carbon Neutral and the subcommittee for Resource Circulation.

(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 a 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. 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:

Currently, the Subcommittee for Carbon-Neutral, which operates under the Sustainability Committee, takes the lead in reviewing specific action plans for achieving GHG emissions reduction targets. In pursuit of our goal of realizing net-zero GHG emissions at all of our operating bases in Japan, we plan on installing solar power generating systems at our distribution centers as well as gradually converting to the use of renewable energy at our existing operating bases. Meanwhile, in order to reduce GHG emissions along the supply chain, it is imperative that we work in unison with our suppliers. We intend to develop an action plan and course of action for reducing GHG emissions while urging our suppliers to do their part in helping to reduce GHG emissions along the supply chain.

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" at the end of June 2022.

(i) Governance

Governance related to climate change is integrated into the governance of our sustainability strategy. For details, please see "(1) Sustainability Strategy – (i) Governance."

(ii) Strategy

Our group conducts scenario analysis to assess the impact of risks and opportunities related to climate change issues, sequentially and starting with businesses for which analyzable data is available.

Risks:

We believe that the major risks affecting our group's business, strategy, financial plans, etc. include, among others, the intensification of extreme weather, such as storms and floods, and increases in carbon pricing.

Opportunities:

Our group is promoting environmentally friendly activities, such as building a manufacturing and sales system in which few products are discarded. In the future, we will continue to promote business activities with a low environmental impact, aiming to achieve the "Environmental Goals for 2030." As environmental awareness is growing among consumers and society, we believe that business activities like these will be an opportunity to boost sales for our group.

Scenario analysis based on recommendations of the TCFD:

In accordance with the recommendations of the TCFD, our group conducted a scenario analysis on climate change during the fiscal year ended March 31, 2023. In the scenario analysis, we examined countermeasures and identification of risks and opportunities for Wacoal Corp., which has the highest percentage of overall sales in our group, in two hypothetical scenarios in which the global temperature increased by 2°C and 4°C. The scenario analysis showed that while a rise of 2°C had some positive impacts, such as gaining support from environmentally conscious consumers, transition risks, such as the introduction of carbon taxes, could have a negative impact on business. In addition, it was found that a rise of 4°C could lead to physical risks, such as storms, floods, and other extreme weather, that could have a negative impact on business. We will expand the scope of scenario analysis sequentially in the future, and we will continue making efforts to enable detailed risk analysis for the entire group.

Type of Risk or Opportunity				Example	Impact*		Countermeasure(s)
					2℃	4℃	
Transition	Policy and Regulations	Introduction of carbon tax	Risk	Increased expenses due to the introduction of environmental taxes	Medium	—	・Introduce renewable energy and promote energy conservation and creation to avoid or reduce cost increases ・Work with suppliers to promote reduction of CO2 emissions
		Increased retail prices for electricity	Risk	Increased electricity prices due to the introduction of renewable energy	Small	Small	・Promote energy conservation and creation to lower the amount of electricity procured and avoid or reduce cost increases
	Reputation	Change in consumer awareness	Opportunity	Increased consumer demand for our environmentally friendly products	Medium	Small	・Promote green business activities, including raising the ratio of environmentally friendly materials used, such as recycled fabrics ・Contribute to reduced disposal of clothing by promoting high quality manufacturing, allowing consumers to use products for a long time
Physical	Acute Event	Increased frequency and intensity of extreme weather	Risk	Decreased number of business days for stores due to the increased frequency of extreme weather	Medium	Large	・Promote a CX strategy to reform the business model. Create a sales system that can cover for the decline in store sales through e-commerce
	Chronic Event	Increased number of rainy days and higher average temperatures	Risk	Increased opportunities to stay home and decreased opportunities to go outside due to changes in weather patterns	Medium	Medium	・Strengthen product development to meet at-home needs, including wireless bras ・Enhance the convenience of our e-commerce to mitigate the decrease in customers' opportunities and desire to buy products
			Opportunity		Medium	Medium	
			Opportunity	Increased awareness of underwear due to climate change	Medium	Medium	・Recognize changes in consumer needs due to climate change and reinforce the development of functional products to respond to them

* Impact is assessed by taking into consideration the likelihood of occurrence and degree of potential impact.
Likelihood of occurrence: Degree of potential impact of Large; once or more every three years, Medium; once every three to ten years, and Small; once every ten years or more
Impact on operating profit: Degree of potential impact of Large; 500 million yen or more, Medium; 100 million yen or more, and Small; less than 100 million yen

(iii) Risk Management

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

(iv) Metrics and Targets

Our group has set its own environmental activity goals for 2030, the "Environmental Goals for 2030" in order to promote efforts to solve increasingly serious climate change issues and realize a carbon-free society.

Environmental Goals for 2030

i. In-house Emissions (Scope 1 & 2) "Zero" ＜Target: Domestic offices＞
   Gradually switch to renewable energy, aiming to achieve net zero in-house greenhouse gas emissions (Scope 1 & 2).
ii. Product disposal "Zero" ＜Target: Wacoal Corp. ＞
   Aim for zero discarded products and promote efforts to reduce disposal of waste materials at plants.

iii. Environmentally friendly materials “50%” ＜Target: Wacoal Corp. ＞
Increase the percentage of environmentally friendly materials used to 50%, such as switching to recycled fibers and yarns.

iv. “20% Reduction” in Supply Chain Emissions (Scope 3) ＜Target: Wacoal Business (Domestic) ＞
Promote efforts with partner companies to reduce supply chain greenhouse gas emissions (Scope 3) by 20%.

The amount of CO2 emissions of our group is as follows:
(Scope of Domestic Business Offices: Head Offices, Spiral Building, Asakusabashi Building, Kojimachi Building, Kyoto Building, Shin-Kyoto Building, Moriyama Distribution Center, Fushimi Distribution Center, Wacoal Manufacturing Japan Corp. (Nagasaki, Kumamoto, Fukuoka, Fukui, Niigata))
(Scope of Overseas Business Offices: Vietnam Wacoal Corp., Myanmar Wacoal Company Limited, Guandong Wacoal Inc., Dalian Wacoal Co., Ltd., Wacoal International Corp. (Dominicana Plant), Wacoal Europe Ltd (Sri Lanka Plant), A Tech Textile Co., Ltd., and G Tech Material Co., Ltd.)

Scope 1 – Changes in CO2 Emissions (Unit: t-CO2)

	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023	Fiscal year ended March 2024
Japan	1,611	1,736	1,701	1,578
vs Fiscal Year ended March 2020	(10%)	(3%)	(5%)	(12%)

Scope 2 – Changes in CO2 Emissions (Unit: t-CO2)

	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023	Fiscal year ended March 2024
Japan	4,103	4,369	4,179	4,245
vs Fiscal Year ended March 2020	(12%)	(6%)	(10%)	(9%)

Scope 2 – Changes in CO2 Emissions (Unit: t-CO2)

	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023	Fiscal year ended March 2024
Overseas factories	9,282	11,203	–	–
vs Fiscal Year ended March 2020	–	–	–	–

* For our overseas business, we started to understand our own emissions (Scope 2) from sewing factories and raw materials manufacturing factories. We plan to disclose the reduction targets by the fiscal year ending March 31, 2026.
* For details on other environmental data, please visit our website.
/https://www.wacoalholdings.jp/en/sustainability/environment/activities/

(Reference) Details of Activities of the Sustainability Committee (subcommittees)

Subcommittee for Carbon Neutral:

Purpose and Role	Realization of Carbon-Free Society (promoting business activities that reduce environmental impact)
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, 2024	・ Formulated specific reduction plans for 5 business offices with larger degree of potential impact, to reduce greenhouse gas emissions of business offices in Japan ・ Surveyed electricity factors at 9 overseas bases / factories to calculate greenhouse gas emissions at overseas factories

Subcommittee for Resource Circulation:

Purpose and Role	Realization of Resource Circulation Society and Promotion of Waste Reduction (Target: Wacoal Corp.)
3-year Activity Policy (from the fiscal year ended March 31, 2024)	・ Increase the percentage of use of environmentally friendly materials (to 26% from 17% during the fiscal year ended March 31, 2023) ・ Reduce product disposal: return to 1.1% level (which is the level at fiscal year ended March 31, 2020) ・ Reduce disposal of leftover materials at plants and suppliers (Goal: reduce by approximately 30% from the level in the fiscal year ended March 31, 2021)
Details of Activities during the fiscal year ended March 31, 2024	・ Examined the target percentage of use of environmentally friendly materials during the fiscal year ending March 31, 2026 with the aim to increase it ・ Reviewed disposal methods with reduced environmental impact ・ Promoted upcycling activities

(3) Human Capital

For our group, which 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, recognizing “talents” as capital and striving to maximize its value is an important management initiative. We believe that realizing an attractive corporate culture in which each of the employees of our group can work while “being emotionally fulfilled,” “feeling fulfillment in their work,” and “maintaining motivation” will enable each employee to maximize his/her potential, produce organizational results such as improved productivity and competitiveness, and eventually lead to sustainable growth.

(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, diversity, equity & inclusion (“DE&I”) and compliance, and provide instructions and requests as appropriate.

Wacoal Corp., our core operating company, has established the “Human Resources Development Committee,” attended by the President and other Directors, to discuss and formulate policies regarding talent strategies and confirm the direction of efforts to resolve individual human resource issues.

(ii) Strategy

As the business environment is becoming increasingly uncertain, the strategies related to talents, which will play a key role in the rapid transformation of the business model, will only increase in importance. In Japan, in particular, as the working population declines due to the aging of the population and the declining birthrate, competition for talents is certain to intensify more than ever before, and it is therefore necessary to formulate and implement a talent strategy to be an attractive company. To advance the formulation and implementation of decisive structural reforms and growth strategy in parallel and at higher speed, the Company will pursue measures that contribute to further growth of individual employees as well as reforms to create an environment and culture that enable employees to use their individual strengths, thereby leading to strengths of the organization.

At Wacoal Corp., in parallel with measures to quickly improve profitability, we will promote initiatives based on the three axes of (i) talent development (supporting career autonomy and providing growth opportunities), (ii) organizational development (strengthening management capabilities to maximize teamwork), and (iii) culture development (creating systems and mechanisms that support job satisfaction, DE&I and well-being) in order to be a company that will continue to be chosen over the medium to long term in the aspects of acquisition and retention of talents. In addition, for beauty advisor positions (sales positions), which account for more than 60% of employees, unique initiatives are carried out to solve individual human resource issues.

In the Group, employees belong to each operating company (0 employee belongs to the Company), and human resources strategies and measures are formulated in tandem with individual companies’ business strategies, and implemented and verified after consultation and arrangement in each employer-employee relationship. Therefore, disclosure on a consolidated basis is difficult, and the status of implementing strategies and measurers of Wacoal Corp., which is the core operating company, are provided at present. On a consolidated basis, we view the enhancement of governance related to human capital of the Group, specifically perspectives of human rights/DE&I and compliance, as a major issue, and will continue to give consideration so that we will disclose information of the Group including consolidated companies at a stage where initiatives for these issues are advanced.

Human Capital Strategy (Target: Wacoal Corp.)

Basic policy :	Conduct “talent development and organizational development for enhancement of the corporate value” and realize virtuous cycle between “growth of the company” and “investments in human capital and growth of talents.” Particularly for the current revised medium-term management plan, focus more on initiatives to connect individuals’ strengths to organizational results, in addition to individual growth, thereby creating a path for virtuous cycle
What we look for in our employees	“Autonomous and innovative talents” Talents who respect and can embody our management philosophy. Talents who can rethink existing concepts and current frameworks and innovate with enthusiasm. Talents who can build good teamwork and contribute to organizational goals. Talents who can practice healthy and sound lifestyles.
Human Capital Issues based on Management Strategies	<Direction> Realization of organizational management by a small group of highly skilled employees = individual growth x improvement of organizational strength x fostering an attractive culture Implementing talent development, organizational development and culture reform for medium- and long-term growth while, at the same time, pursuing personnel plan management to improve profitability at an early stage. <Priority issues> ● Improve profitability: Continue to implement personnel plan management ・ To confirm the status of staffing by division after the implementation of the voluntary retirement program, and implement reallocation and recruitment as needed to ensure an appropriate level of staffing. ・ To build the cycle of respective divisions taking the lead in setting and operating metrics to monitor reasonableness of the staffing level of office workers. ● Return to growth path: Strengthen measure to connect individuals’ strengths to organizational strengths ・ To establish a new program that provides enhanced support to improving expertise specific to each division. ・ To contribute to the activation of the organization through work style / workplace reforms. (Workplace reform to be coordinated with real estate measures for asset reduction) ・ To develop an environment which enables employees to exhibit their individuality and capabilities to contribute to the organization’s results. ● Strengthening of our management base: To develop an environment and foster culture to enable employees to exhibit their capabilities to the maximum extent, contribute to results and get rewarded appropriately ・ To consider introducing HR system that is linked to work value and implement (to be gradually implemented until the fiscal year ending March 2026) ・ To conduct engagement surveys on an ongoing basis and analyze correlation with other organizational diagnostic metrics in order to improve the precision of measures. ・ To develop HR-related IT infrastructure / databases which will form a basis to carrying out HR measures.
Initiatives to Maximize Human Capital	I. Recruit talents
	II. Support growth (training, reskilling, career development)
	III. Strengthen management capabilities
	IV. Promotion of DE&I
	V. Achievement of well-being

As a measure concerning “personnel plan management,” which is one of the priority issues, the voluntary retirement program was implemented in the fiscal year ended March 31, 2024. As a result, while 150 voluntary retirees were sought, 215 persons applied. The total number of employees after the implementation of the measure decreased by 187 persons from the end of March 2023, and by 1,325 persons from the end of March 2020, resulting in a more appropriate number of personnel in proportion to the business size. As for the workforce composition, compared with March 2024, the number of employees in managerial positions decreased by 57 persons (222→165; general managers or higher: (20); manager-level positions: (37)) and the average age declined by 2.9 years (44.6 years old → 41.7 years old). Thus, the organizational structure was streamlined and flattened, and an appropriate generational change was advanced. In addition, the proportion of women in managerial positions also increased by 2.9% (32.2%→35.1%).

To realize organizational operation with a more select group of talented individuals, and to also make a transition to an organizational structure that enables further delegation of authority to work sites, we will promote growth of individuals and improvement of management abilities in parallel.

Initiatives to Maximize Human Capital

I. Acquisition of talents

The Group believes, just as our predecessors have built today's corporate group without sticking to the precedents, that it would be the source of our competitiveness to continue to value a culture of boldness and daring to take on challenges, and to respect diversity which creates new value by bringing in new ideas. Moreover, under the environment of the aging of the population and the declining birthrate and the decreasing working population, we need to focus our efforts on retention of talents as well.

At Wacoal Corp., we are focusing on recruitment of new graduates as well as lateral hires (including recent graduates and mid-career hires). We plan to continue to use lateral hires for approximately 30% to 50% of the total number of career-track positions, including management candidates, insufficient global, EC and DX specialists, and other personnel.

Furthermore, among multiple positions, the especially difficult positions to secure talents for are beauty advisor positions (sales positions). We started the "Work Location Change System for Accompanying the Spouse and Nursing Care" as a measure to secure talents in August 2020, and 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 total of users of the system as of the end of April 2024: 43). In addition, with "BANK (BA Alumni Network)," a network of retirees, which began operation in April 2022, we have established a structure to continue relationships even after retirement through provision of various information, support for return to work, introduction of their friends, and other means (Number of registrants as of the end of April 2024: 87).

Hiring Status of main positions at Wacoal Corp.

Position	Category	Gender	Fiscal Year ended March 2020	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023	Fiscal year ended March 2024
Career-track	Lateral hires	Male	2	4	1	4	1
		Female	6	6	1	6	15
		Total	8	10	2	10	16
	New graduates	Male	10	13	7	6	2
		Female	13	16	16	10	10
		Total	23	29	23	16	12
	Lateral hire ratio		26%	26%	8%	38%	57%
Sales	Lateral hires	Male	0	0	0	0	0
		Female	227	116	8	6	14
		Total	227	116	8	6	14
	New graduates	Male	0	0	0	0	0
		Female	48	53	25	16	14
		Total	48	53	25	16	14
	Lateral hire ratio		83%	69%	24%	27%	50%

Position	Category	Gender	Fiscal Year ended March 2020	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023	Fiscal year ended March 2024
Creator Technical/ Research	Lateral hires	Male	0	0	0	0	0
		Female	0	3	0	0	0
		Total	0	3	0	0	0
	New graduates	Male	0	0	0	0	0
		Female	12	7	0	0	0
		Total	12	7	0	0	0
	Lateral hire ratio		0%	30%	0%	0%	0%

II. Support growth (training, reskilling, career development)

Aiming to transform into a company where individuality and strengths of each employee are fully realized, our group provides various training programs to support the growth of each employee by providing learning opportunities and career advancement support.

<Talent Development>

At Wacoal Corp., we believe that our development as a company is dependent upon efforts to enhance the qualifications of each employee and his/her support. Based on this belief and with the aim of fostering talents who can put our management philosophy into practice, we support the growth of employees by developing and continuously updating training programs that support the development of employees' careers and professional skills, as well as self- development support programs to promote employees' self-study.

The talent development system "WACOAL TERAKOYA," which began operations in April 2019, was brushed up. To respond to buying behavior and needs of customers that have changed rapidly through the COVID-19 pandemic, we have been reviewing our education and training systems, thereby developing talents who can keep up with the future business environment. Under the new development system, the rank-based training program does not provide a uniform menu but offers options tailored to the growth of individuals. In addition, the "departmental mastery training program" aimed at enhancing expertise of the organization has been introduced to strengthen measures that make growth and fulfillment of potential of individuals bear fruit as achievements of the organization. Furthermore, we will foster independence and diversity and cultivate talents who have knowledge that cannot be acquired in-house and a broader viewpoint by increasing opportunities to participate in a forum of learning and exchanges with businesses outside our industry on a voluntary basis, thereby increasing innovation. Through these efforts, we will foster talents who can practice our management philosophy and create new value, to achieve sustainable growth of Wacoal.

In developing sales positions, we have been working to improve both "customer service skills (practical learning)" and "human skills (ethics learning)" to meet more diversified customer needs and ensure customer satisfaction. Specifically, we have utilized an autonomous learning platform called "GLOPLA LMS (Learning Management System)" of GLOBIS Corporation since April 2022 to provide growth opportunities and foster motivation to advance the career. In addition, we established a new course to aim to shift to career-track positions as an opportunity to subjectively shape the career. As of April 2024, 69 employees in sales positions had chosen this course and worked to further improve their abilities.

Examples of Our Talent Development Programs

Name of Program	Purpose		Period/No. of hrs. of training per person	Annual number of participants	
				Fiscal Year ended March 2023	Fiscal year ended March 2024
Rank-Based Training Program	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		1 to 6 days (depending on program)	684	530
Business Skills	Enables employees to learn the skills needed by businesspeople through exchanges with talents inside and outside the company and to acquire universal business skills usable inside and outside the company		7.5 hours	61	94
Wacoal Academy	Shares in-house knowledge, passes on knowledge, and develops organizations through training and seminars conducted by in-house and external instructors		7 hours~	1,217	1,515
Global Talent Development	Develops globally competent talents who have international communication skills (the ability to execute duties, language skills, and the ability to work in and understand other cultures), underpinning the increasing globalization of the business	Overseas job training	2 years	4	3
Self-Study	Supports the autonomous development and enhancement of employee capabilities by providing e-learning content that can be studied anywhere at any time	Self-study support program	–	160	244
		Distance learning/E-learning	–	2,138	935

<Reskilling>

At Wacoal Corp., we are working to develop talents through reskilling (relearning) to ensure that our employees have the skills necessary for business growth and new business. During the fiscal year ended March 31, 2024, we have launched the operation of an online learning tool as a part of initiatives to raise the level of IT literacy to improve labor productivity of office work. We develop an environment which enables employees to learn the latest business trends and technologies. We also support voluntary learning by employees through the operation of a self-development community to enhance the competitiveness of the entire organization.

<Career Development>

Wacoal Corp. has introduced the "Meet My Career Program," which aims to have employees develop their career proactively and positively by expanding the diverse systems and structures for career development and to enhance job satisfaction and revitalize organization by promoting career autonomy. In this program, in addition to conventional self-assessment, career interviews, training / self-development, and transfers, we offer the "Internal Recruitment Program," the "Job Challenge Program" where employees can request transfer destination by themselves, the "Outside Career Change Program" where employees can have experience that cannot be gained in-house through temporary assignment to companies and organizations outside the Group, and the "Internal Internship program" where employees can experience operations in other departments while continuing to belong to their department, the Long-term Leave Program, side-work support, and other programs, aiming to encourage employees to actively practice diverse workstyles, and at the same time, provide opportunities to acquire skills different from the existing skills and refine them to promote realization of diverse careers of individuals by systematically presenting options for employees to develop their career and potential independently. As for the "Internal Recruitment Program," we broaden career options by also targeting group companies, and have a system that enables both employees and the organization to proactively work on career development and acquisition of talents.

Starting from the fiscal year ended March 2024, we provide new hires for career-track positions with career training with an eye to mid- to long-term career, not limited to initial assignment, and one-on-one interviews, and runs the "Meet My First Career" program which matches new hires with the divisions. Through these initiatives, we strive to provide mid- to long-term career support and activate the organization while responding to the needs of younger generations.

Going forward, we will continue to provide opportunities for employees to widen their career independently, and work on development of diverse talents.

Name of Program	Purpose	Number of Applicants	
		Fiscal Year ended March 2023	Fiscal Year ended March 2024
Job Challenge, Internal Recruitment	As a part of forming self-reliance talents: "Job Challenge" supports job rotation opportunities for those who express desires to self-transfer based on their own will and motivation, thereby revitalizing the organization as a whole; "Internal Recruitment" will strengthen the departments by acquiring the talents that they seek, thereby revitalizing the entire internal organization.	18	25
Outside Career Challenge	In times of rapid changes, this program helps employees enhance adaptability and resilience by incorporating diverse perspectives and values, updating knowledge and reskilling through work experience outside the company.	38	42
Side-Work	1. Enhance their own skills, abilities and expertise as they engage in activities outside the company and to increase their ability to perform for their principal occupation. 2. Build external networks and acquire new knowledge and skills looking ahead to future career plans. 3. Work on their hobbies and interests and achieve a diversified lifestyle by earning additional income.	38	30
Long-term Leave Program	This program supports the continuation of employment by allowing absence for a certain period of time "for the purpose of self-enlightenment and self-development" and "if a spouse relocates or if an employee marries someone who lives in a remote area."	5	10

III. Strengthen management capabilities

Profitability has been declining at Wacoal Corp., our core operating company, due to sluggish sales and a cost structure with a high fixed cost ratio. We are reviewing the business strategies set forth in our medium-term management plan to return to top line growth and improve profitability. In order to enhance management effectiveness, it is an extremely important issue to strengthen management capabilities to make accurate and fast decision-making and contribute to organizational achievements. We will, once again, work to cultivate, develop and appoint management talents based on the succession plan. We also recognize that it is essential to foster a healthy feedback culture from the perspective of strengthening organizational capabilities. We will promote efforts to secure and develop management talents who can realize our vision, implement our strategies, and motivate members to link individuals' strengths to organizational results.

<Development of Management Talents>

During the fiscal year ending March 31, 2025, we plan to continue to provide trainings for the senior management as part of measures to disseminate our group's management philosophy, and for all managerial positions, to promote diversity as a source of innovation and to acquire basic knowledge of psychological safety, which is a foundation of organizational development, and unconscious bias.

We will also establish opportunities for information-sharing and dialogue with general managers on a periodic basis, to share talent development policies and support methods, etc. with respective operations divisions as needed to facilitate talent development by the departments / divisions and to increase the accuracy of the human capital strategy.

<Review of Evaluation System>

While increasing the diversity of talents, we are building a more productive organization with a small number of highly skilled employees. In addition, we are reviewing, as needed, our systems and operations to achieve "fair evaluation and treatment" which forms the basis for such efforts. By fostering a culture of feedback and enhancing the level of acceptance of evaluation results, we aim to strengthen our organizational capabilities. In the fiscal year ending March 31, 2025, we plan to change the evaluation structure and system entirely.

Particularly with regard to sales positions, as the number of staff managed per manager exceeded 100, it was an issue that sufficient opportunities for dialogue could not be provided. We have operated the "Evaluation Advisor System" at full scale since April 2021, and fostered a culture in which leaders (such as supervisors, store managers and assistant managers) provide feedback to each other by delegating responsibilities and authority for evaluation and talent development to them, and implementing 360-degree evaluation of the leaders, etc. We will newly create a post of "Area Managers" in April 2024 to further promote the delegation of authority, and push forward the establishment of a structure where talent management at the work-site level functions effectively.

<Review of Treatment System>

We have developed a treatment system linked to the role size (work value x job size) of each position of the management jobs, in response to the expanded scope of authorities and responsibilities as a result of streamlining of the organization. By varying role-based pay of managers, which was previously uniform, according to the role size, it aims to improve the level of satisfaction and engagement of employees and help with individual career development. We also created a link with the direction of management and business strategies, established the new roles of "Brand Manager," who supervises a main brand, and "Growth Strategy Director," who leads a growth segment, and realized treatment corresponding to the size of a role to be assumed, including "Area Manager" mentioned above. In addition, in order to realize balanced treatment based on results and performance, we initiated a review on personal allowances and benefits to re-distribute funds generated from revisions and abolishment to all employees.

IV. Promotion of 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 work options, and will implement talent measures that will enable us to take advantage of the diversity of employees in organizational decision-making for a rapidly changing market, such as by promoting an introduction of a new personnel evaluation system.

<Empowerment of Women>

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. considers the empowerment of women's involvement and activities as an important management goal. Therefore, Wacoal Corp. has established a workplace environment that is appropriate and in line with women's unique life stages, promotes more flexible work styles, and has instituted a system for promotion and advancement based on ability and performance, regardless of gender or age. In February 2021, Wacoal Corp. received the "Eruboshi Certification" from the Ministry of Health, Labor and Welfare of Japan, having been recognized as a company that has made effective efforts to advance women's participation.

<Promotion of Women in Managerial Position>

Wacoal Corp. formulated a general employer action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life, under which we have been aiming to increase the percentage of women in managerial position (section manager and higher level) to 30% or higher by the end of fiscal year ending March 31, 2025. Now that the percentage of women in managerial position (section manager and higher level) has risen to 32.2% and 35.1% as of March 1, 2024 and May 1, 2024, respectively, achieving the target ahead of the deadline, we are currently in the process of formulating a new general employer action plan. Since the percentage of women in department head / general manager and higher level, who is involved in more important decision-making, is still low despite the percentage of women in managerial position's exceeding the 30% mark, we will work to increase the percentage of women in managerial position of department head / general manager and higher level.

We will continue to identify talents with a high aptitude for leadership from an early stage, regardless of gender, and further promote the provision of training opportunities to candidates for managerial positions, in order to reflect the values of diverse talents in management decisions. We will also develop talents capable of being in charge of managerial and executive positions by supporting the autonomous growth of employees, encouraging them to gain experience in a variety of businesses and positions, and continuously working to foster career awareness.
(For details, please visit our website.)

: Action Plan Based on the Act on the Promotion of Women's Active Engagement in Professional Life
https://www.wacoalholdings.jp/en/sustainability/resource/diversity/
: ESG Data Book (Diversity & Inclusion etc.)
https://www.wacoalholdings.jp/en/ir/library/esg_presentation/
: (Website of Ministry of Health, Labor and Welfare) The Database on Promotion of Women's Participation and Advancement in the Workplace – Wacoal Corp.
https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=284 (*Japanese only*)

<Differences in Wages between Male and Female Employees>

The difference in wages between male and female employees, one of the metrics for empowerment of women, is 49.2% (full-time employees: 50.0%, part-time and fixed-term employees: 60.2%, career-track positions: 70.0% and managerial positions: 93.2%) at the Company and Wacoal Corp. At the Company, there is no wage differential due to gender for the same role. Therefore, the difference at the Company and Wacoal Corp. is due to (i) men accounting for approximately 65% of the managerial positions, (ii) the ratio of female employees in career-track positions, especially in the hiring of new graduates, having been increasing year by year, resulting in a higher ratio of female employees among employees who are below managerial positions and have been with the company for 10 years or less (10 years or less: 134 employees or 56.3%; over 10 years: 38 employees or 35.2%), and (iii) women comprising an overwhelmingly higher proportion of employees in sales-related jobs than the relatively higher-paid career-track positions.

In addition to our existing efforts to increase the ratio of women in new graduates and mid-career hires for career-track positions, we will ensure promotion based on capabilities, regardless of age and gender, to increase the ratio of women in the managerial positions and executive positions in order to close the gap in wages between male and female employees.

<Promotion of Foreign Nationals to Managerial Positions>

Our group, as a corporate group operating in countries and regions around the world, 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 female. We will continue to hire diverse local talents regardless of nationality and promote them to key managerial positions in order to expand our business from the customer's perspective and strengthen our competitive advantage in the overseas markets.

<Work-Life Balance>

Wacoal Corp. is developing workplace environments that enable employees to lead fulfilling lives and to make the best use of their skills. For example, as part of our initiatives to help employees to balance work and child-rearing commitments, we are working to establish programs and culture with a view to creating an environment that is easy and rewarding to work in not only for employees with child-rearing commitments but also for coworkers who support them. Further, we formulated an action plan based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children and implemented measures to achieve the targets, which resulted in "Platinum Kurumin" certification in addition to the third "Kurumin" certification in 2018. We plan to continue to create a mechanism that allows employees to use their time flexibly so that they can be actively engaged with not only work and family but also society to increase the diversity of their individual experiences and skills, thereby creating innovation at work.

<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 to listen to their opinions. In addition, we actively cooperate with external support organizations to gain experts' knowledge to provide retention support. In February 2018, Wacoal I Next Corp. was founded to promote the employment of people with disabilities and to create opportunities for their active participation. In December 2018, the company was certified as a special subsidiary under the Employment Promotion Act for Persons with Disabilities.

Wacoal I Next Corp. has adopted flexible working styles that facilitate the development of skills of individual employees without limiting the scope of the work, such as "multi-tasking" where an employee is responsible for multiple tasks, and "work sharing" where multiple employees undertake parts of a larger task, with the aim to create a workplace where each and every employee can have a sense of fulfillment and growth. It is necessary for a company to satisfy legal employment quotas; however, we don't see those as just numerical targets. Under the mutual trust advocated by Wacoal, we will contribute to the realization of a society that takes advantage of diversity by working as the group to create a workplace where everyone can play an active role for development.

For information on the employment of people with disabilities and the reemployment system, etc., please visit our website:

https://www.wacoalholdings.jp/en/sustainability/resource/diversity/

<Responses based on policies for serving diverse customers>

From the fiscal year 2024, we will clarify policies for serving diverse customers (creation of an inclusive sales floor environment) and express Wacoal's stance on facing initiatives for respect of human rights. To this end, we have started internal educational activities of "businesses and human rights" by holding explanatory meetings targeting managerial positions in the sale department and role-appointees.

V. Achievement of 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 of the organization as a whole.

At Wacoal Corp., we believe that improving the job satisfaction and happiness of each employee is the driving force to achieve high productivity, and we will implement initiatives to achieve well-being to improve employee engagement.

<Promotion of Diverse Working Styles>

We are promoting initiatives at Wacoal Corp. that seek to raise awareness and change behavior on how to increase labor productivity through a combination of promotion of flexible hours, introduction of a "super flexible time" system, and operation of a location-based employment system. While promoting organizational reforms which emphasize on performance and achievements, we are focusing on creating a corporate culture that respects each individual as a business partner by recognizing diverse opinions and values. Remote work has been adopted rapidly as a measure to prevent the spread of COVID-19. Since April 2024 we have been utilizing remote work as "a work style to maximize the achievements and performance," while requiring certain attendance with a view to enhancing communication. We will continue to promote work style reforms to improve labor productivity and provide further flexibility in each individual's use of their time.

REBORN Project to reorganize the business offices in Kyoto area is currently in progress. Aiming for a workplace that creates co-creation and transformation and accelerates value creation, we will transform not only offices but also work styles so as to enable open communication beyond the boundaries of organizations and floors as a new work style of Wacoal.

<Health Management>

Viewing the health of employees as an important asset for sustained growth, Wacoal Corp strategically promotes the health management by working together with the health insurance society and labor union as a trinity. One of the material issues set forth in VISION 2030 is the continuous improvement of employees' health and health awareness. Our goal under the newly formulated Wacoal GENKI Project 2025 for promoting health management is to improve the physical and mental well-being of employees, leading to increased productivity and improved employee engagement. While continuing with various health maintaining countermeasures to address lifestyle diseases and cancer, we will step up on our efforts for improvement in mental health of employees in sales-related jobs and health issues of female workers which have been particularly important issues. Furthermore, Wacoal Holdings Corp. has been selected as an Excellent Enterprise of Health & Productivity Management (White 500) for eight years in a row since 2017.

For information on Wacoal GENKI Project 2025, please see our website.
https://www.wacoalholdings.jp/en/sustainability/resource/wellbeing/

(iii) Risk Management

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

(iv) Metrics and Targets

<table>
<tr><th rowspan="2">Human Capital Issues based on Management Strategies</th><th rowspan="2">Initiatives to Maximize Human Capital</th><th colspan="3">Metrics and Targets (KPI)</th></tr>
<tr><th>Metrics</th><th>Targets</th><th>Results for the fiscal year ended March 31, 2024</th></tr>
<tr><td rowspan="4">Recruit, train and promote talents who will be responsible for the company’s growth</td><td rowspan="4">I. Acquisition of talents
II. Support growth (training, reskilling, career development)</td><td>Status of lateral hires (career-track positions)</td><td>Achieve lateral hires of 30% - 50% in total hires of career-track positions</td><td>Total number of hires: 28
Of which lateral hires are 16 persons (57%)</td></tr>
<tr><td>Investment costs in talent development and training
Number of participants in programs and hours invested in learning (as compared to working hours)</td><td>Not yet formulated (to be formulated during fiscal year ending March 31, 2025)</td><td>-</td></tr>
<tr><td>Number and percentage of employees reassignment through internal recruitment and Job Challenge</td><td>Not yet formulated (to be formulated during fiscal year ending March 31, 2025)</td><td>-</td></tr>
<tr><td>Degree of achievement of proactive career development</td><td>To obtain 60% or higher positive responses for questions related to career achievement in engagement survey</td><td>An environment where a variety of career options and opportunities to take on challenges are provided and can be utilized: 44.2%</td></tr>
</table>

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, 2024
Improve management capabilities to connect individuals' strengths to organizational results	III. Strengthen management skills	Contribution of management that leads to sustainable growth	To obtain 60% or higher positive responses for questions related to potentials and future prospects in engagement survey	・ Find the company has potentials: 29.4% ・ Future-oriented management: 43.9% ・ Future-oriented department heads / general managers and managers: 51.6%
Foster organizational culture of high engagement and psychological safety		Foster a feedback culture	・ To obtain 60% or higher positive responses for questions related to approval/praise and fair evaluation in engagement survey	・ I have been recognized and/or praised for good job by supervisors or someone in the workplace during the past week: 38.8% ・ Someone in the workplace has spoken to me about my progress during the past six months: 46.4% ・ My capabilities and achievements are evaluated properly: 50.6%
	IV. Promotion of DE&I V. Achievement of well-being	KPI achievements under Wacoal GENKI project 2025	https://www.wacoalholdings.jp/news/files/news211203.pdf *(Japanese only)*	Results for fiscal year 2023 are being compiled.
		Employment of people with disabilities	Statutory employment rate of 2.5% for fiscal year 2024	2.59% (as of March 2024)

3. 【Business Risk and Other】

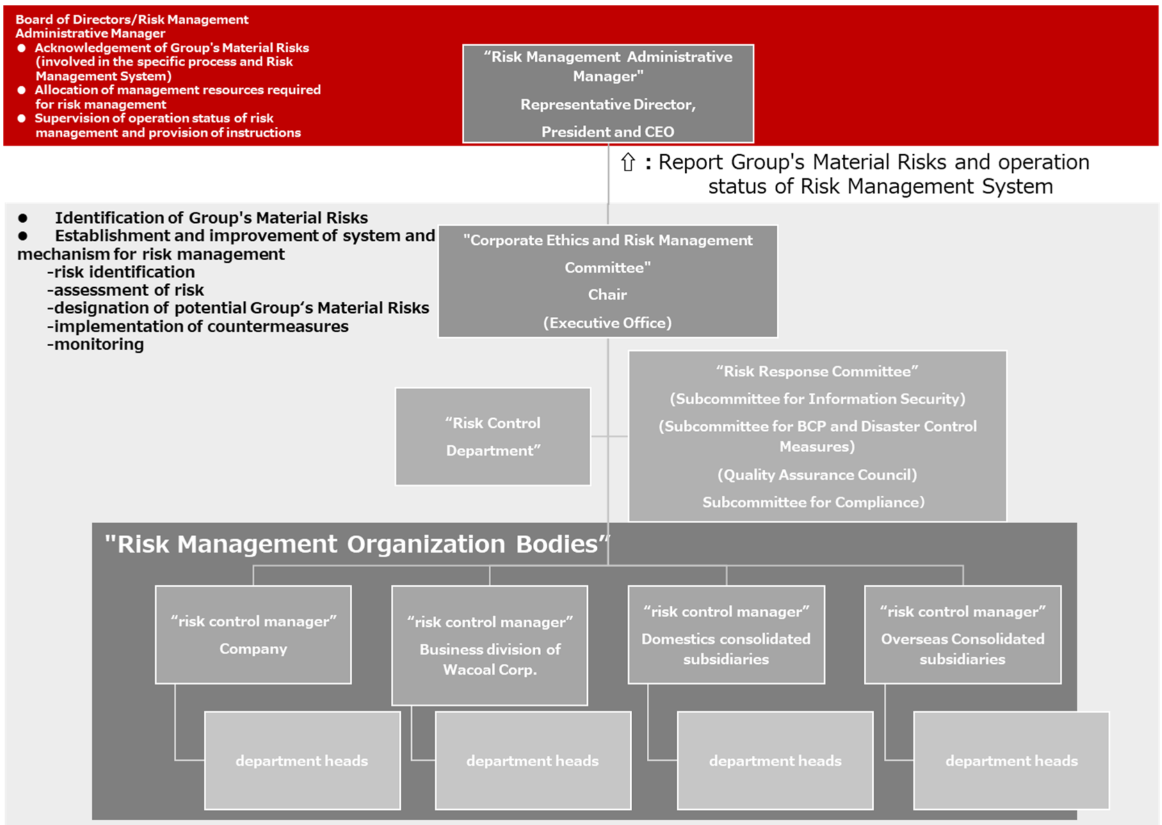
In our Risk Management Basic Rules, “risks” are defined as “all factors that may hinder the achievement of the business objectives of our group.” Further, “risk management” is defined as a series of measures aimed at continuing improvement by identifying and assessing risks and engaging in activities 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).

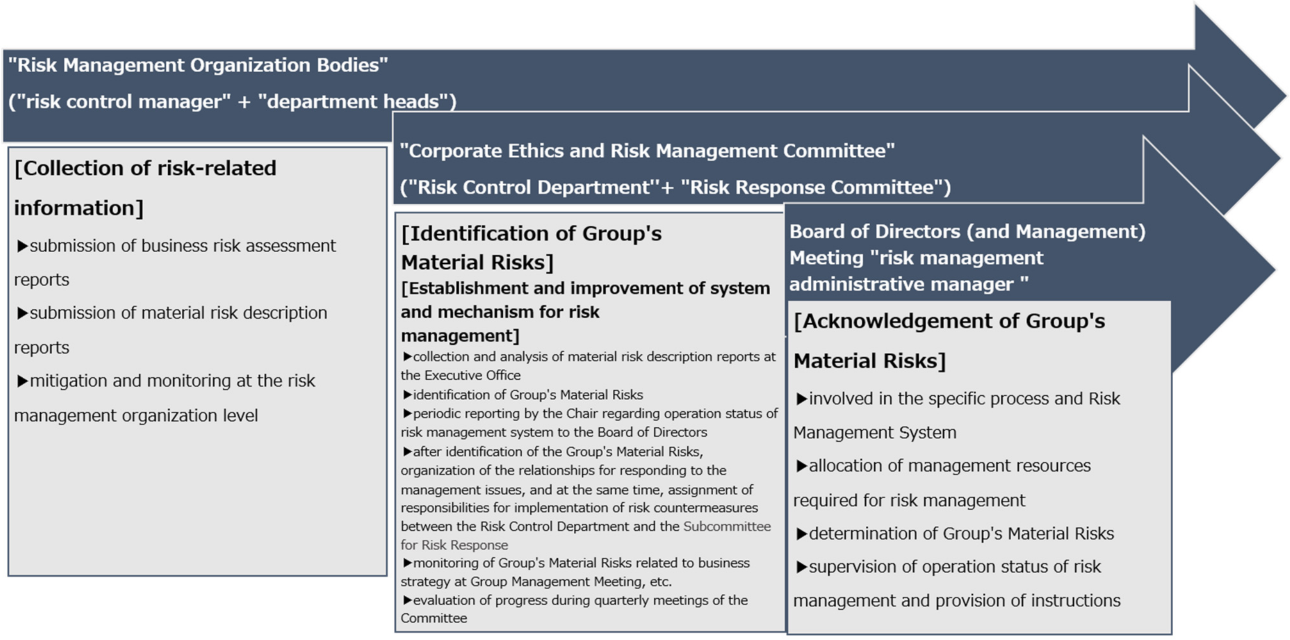
In accordance with the Rules, we recognize risks, assess the likelihood of their occurrence and degree of potential impact, set priorities and decide on how to address them, to engage in activities to mitigate the possibilities of such risks’ materializing to the extent possible. In addition, we take 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 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.

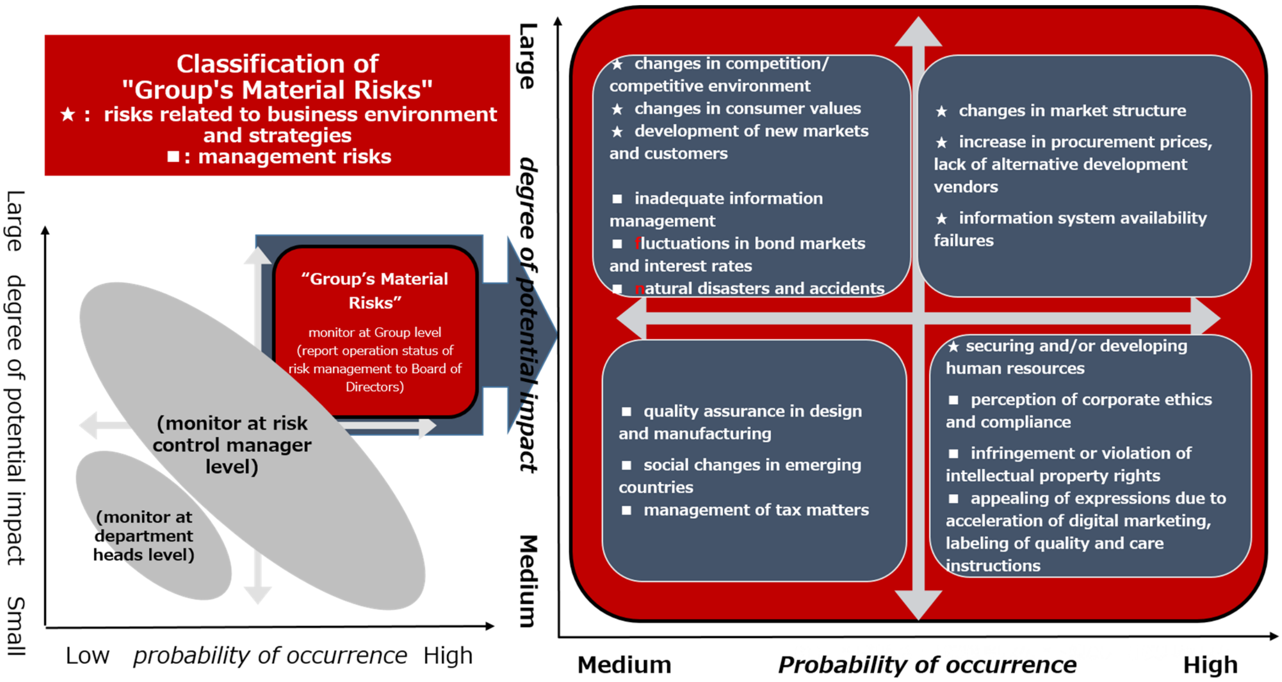




(2) Business Risk Factors

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 may significantly impact our group's business performance, which has a large share of sales from department stores and mass merchandisers. In addition, a decrease in consumer contact points (physical stores) may affect a decline in brand recognition and a decrease in consumer's willingness to purchase. The change in the market structure 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. In Japan, we have built a customer-driven comprehensive brand management system that covers from production through sales and are making concentrated investment of our management resources in 8 core brands: ((i) Wacoal, (ii) Wing, (iii) AMPHI, (iv) CW-X, (v) Salute, (vi) Yue, (vii) WACOAL MEN, and (viii) Wacoal Size Order), with the view to developing core brands and expanding e-commerce business. At the same time, we cut across distribution channel categories to achieve centralized management of our customer data to promote our CX strategies that enhances the value of customer experience as lifetime value ("LTV") that corresponds to the needs of each customer by utilizing various distribution channel categories. Going forward, we will continue to balance between the enhancement of personalized services at our physical stores with the reinforcement of stress-free coordination of personal information for our online sales. In overseas market, we aim to improve the customer experience in fitting that our competitors cannot imitate by developing unique services that involve integration of offline and online customer experiences while continuing to focus our efforts on increasing our brand recognition in individual countries and regions. We are also accelerating DX in individual countries and regions to improve the LTV of our customers and aiming to increase the ratio of e-commerce sales to total sales to over 50% by fiscal year 2030 (fiscal year ending March 2031).	

➢ 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, a 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, 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, expand our overseas suppliers for materials, 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 core brands. Meanwhile, the domestic sewing company that was consolidated in April 2022 aims to both strengthen our competitive superiority and improve business efficiency by continuing to build a flexible production management system that responds to changes in the external environment 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, 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 Increase in a 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 concentrating on focus segments such as high-premium, affordable and sportswear markets and increasing focus on e-commerce and our directly-managed stores, we are striving to develop brands that are loved and enhance trust in our brands, and create bonds that will lead to "deep, broad long-lasting" relationships with customers. Furthermore, in the overseas business, in addition that we work on the development and sales of new products based on market analysis of China and Asian region to expand contact points with new customers, we in the European and U.S. markets continue to invest in growth in our businesses to differentiate ourselves from competitors by promoting the group's unique and distinctive brand development and product strategy that responds to customers' diverse values. At the same time, we are actively making growth investment for the emerging countries in which growth potential for our group can be confirmed.	

➢ 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 to 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 generation 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 We consider all activities that create value for our customers as "marketing," and are promoting our efforts to enhance lifetime value (LTV) through a series of customer experiences that leads to us as their inevitable choice. We have moved away from the old-fashioned orientation of product purchase, and have been working to build a system in which customer data is integrated and linked at all points of contact with our customers, both at physical stores and online, to create a connection with our brand, providing value to the customers' series of actions and offering products and services that empower out customers' individuality, thereby creating long-lasting relationships and lifelong customers. In terms of brand management, we are organizing and consolidating our eight core brands, and by concentrating and selecting brand communication and marketing costs linked with such approach, we expand both the quality and quantity of our messages to our customers. At the same time, we are strengthening our efforts in sustainability activities to enhance and establish our reputation with society and other stakeholders.	

➢ 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 planned outcome, it may affect our group's business performance.	
● Countermeasures In 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. We examine a series of customer experiences and purchasing behavior (customer journey) to promote an initiative to re-consider how to be an inevitable choice by customers, and are also working to re-design our brand portfolio with clearer values offered to customers and strong consciousness for expanding customer base, targeting the young and those oriented for products at affordable prices. On the other hand, our efforts to strengthen retention marketing to existing loyal customers are steadily yielding results, and we are able to build ever deeper bonds with them as loyal customers. We will prioritize and further focus our efforts on maximizing LTV, which can be realized as the value offered by our group, by expanding our wardrobe assortment for our loyal customers. In the United States, we seek to grow the entire e-commerce business by investing in digital marketing aggressively, aiming for business growth of the brand portfolio developed by the group, including Elomi, beyond Wacoal brand. During this fiscal year we promoted the development and strengthening of a system that underpins future growth in e-commerce, including logistics infrastructure. We also implemented measures such as enhancement of personalized services based on purchasing history by strengthening CRM, to increase engagement of existing customers, at the same time as acquiring new customers. In China, in the e-commerce market where middle class is the main purchasing group, we will continue to focus on acquiring new customers and converting existing customers into loyal customers while working to strengthen offline and online coordination and CRM strategies. For Germany, India and other markets where the scale of our group's operation is still small despite the large number of middle-income consumers, we are making strategic investments because we see these markets as having significant room for future expansion.	

➢ Risks related to securing and/or developing human resources	
☐ Probability of occurrence: High	☐ Degree of potential impact: Medium
● Risk details If we fail to secure and/or foster personnel especially for manufacturing (planning, technical and R&D capabilities), IT and digital, sales representative, personnel specialized in the area of management of foreign companies, we may not achieve future growth or gain advantages against competitors, which may adversely affect our group's business performance.	
● 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, overseas training programs 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 profit-sharing payment when targets are achieved, 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 malicious attacks from outside 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 Related Organizations and Responsibilities" 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 understand and improve the current information management system, and collect information regarding data destruction or leakage due to unauthorized access to customer information and important information, as well as cyber-attacks aimed at disrupting business operations due to viruses and ransomware, investigate and analyze the current status to identify information security risks, in order to prevent an incident from occurring or mitigate impacts in the event that it occurs. At the same time, we formulate our group's activity policies and specific countermeasures, establish, revise or abolish related regulations, and discuss strategic investment projects, in an effort to reduce information security risks in the supply chain. In particular, we have introduced and begun operating security tools that monitor systems and devices in real time in preparation for unexpected system failures and malfunctions, while also ensuring that critical systems have appropriate hardware and network configurations, that cloud computing has been selected, and that appropriate maintenance of IT assets is being performed. In addition, we conduct periodic targeted e-mail drills and alert employees to information-related accidents, such as those recently reported in the media, in order to mitigate risks from both sides by raising employee awareness and establishing a framework.	

➢ 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 Classification," "Rules on Handling of Confidential Information," "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, to ensure thorough protection and management of material information, we have prepared a list of material information of our group and are working on measures to protect material information, citing specific examples of insider information in the categories of management, business and sales strategies, product development, in-house know-how, personal information, information system and other categories. We possess personal information of our various customers for business purposes. Looking to the future, Wacoal Corp. addresses CX strategies as the pillar of our growth and promotes business model using digital data including collected personal information. Overseas, we are also moving forward with plans to strengthen our e-commerce business, which directly obtains the personal information of customers, and to make it a pillar of our growth. The protection of personal information is becoming increasingly important in our group's business activities, not only in response to the implementation of the Amended Act on the Protection of Personal Information in Japan. 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 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 The market value of listed equity securities and bonds held by the Company may decline, resulting in recording impairment losses. 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. The revised medium-term management plan disclosed in November 2023 sets out a policy of reducing strategic shareholdings by 30 billion yen or more by the end of fiscal year ending March 2026 (based on the market value as of the end of the previous fiscal year (the end of March 2023)) to less than 10% of consolidated net assets. The Board of Directors examined whether income realized from each stock holding exceeds the Company's capital cost, and whether such strategic shareholding contributes to the enhancement of our corporate value. Based on results of such examination, we disposed of and reduced a total of 10 stocks that had diluted value amounting to approximately 14.8 billion yen (based on the market value as of the end of the previous fiscal year) during the current fiscal year. 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, 22. 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 communication 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 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 mobile 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. During the fiscal year under review, revisions to the "Corporate Ethics: Wacoal Standards of Conduct" were compiled in response to the review of the framework of our management philosophy of our Group and changes in the environment surrounding our businesses. The revised standards of conduct have been in use as the 7th edition since April 2024. 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. The "Subcommittee for CSR Procurement" which we established in April 2018 has now been transferred under the Sustainability Committee, and is proactively making efforts to conduct self-assessment and on-site audit at each of our manufacturing contractors 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 plan. In addition, we plan to gradually expand the scope of CSR procurement activities beyond manufacturing contractors, and are disclosing a list of our suppliers 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 the 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 and implementing elimination measures.

➢	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, which is becoming mainstream, the content of messages on social networking services, including those involving employee participation, and appealing expressions based on concepts that go against international standards for sustainability, may cause social problems, including negative campaigns and defamation of the sender, which may adversely affect our business performance. In addition to that, violations of laws and regulations related to quality labeling and inappropriate expressions in functional labeling 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. 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 trainings for our employees in marketing and communications departments to check the content of the 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. 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 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, 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), standardize the skills of inspection personnel, and increase employee motivation through a quality excellence award system.

➢	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 and 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. We have been providing tax training sessions for our domestic consolidated subsidiaries on a regular basis. At these training sessions, while confirming the appropriate responses to the current tax reform such as the invoice system, we made efforts to spread awareness of our Tax Code of Conduct. 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 international taxation, including BEPS, and sharing the latest information with our 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 2023)	Current Fiscal Year (ended March 2024)	Increased/(Decreased) from previous fiscal year	
			Amount	%
Revenue	188,592	187,208	(1,384)	(0.7)
Cost of sales	82,189	83,123	+934	+1.1
Sales profit	106,403	104,085	(2,318)	(2.2)
Selling, general and administrative expenses	102,301	100,575	(1,726)	(1.7)
Business profit	4,102	3,510	(592)	(14.4)
Other income	5,254	1,990	(3,264)	(62.1)
Other expenses	12,846	15,003	+2,157	+16.8
Operating loss	(3,490)	(9,503)	(6,013)	–
Finance income	1,517	2,529	+1,012	+66.7
Finance costs	795	328	(467)	(58.7)
Share of profit of investments accounted for using equity method	2,069	(988)	(3,057)	–
Loss before tax	(699)	(8,290)	(7,591)	–
Net loss attributable to owners of parent	(1,643)	(8,632)	(6,989)	–

The business environment surrounding our group during the current fiscal year (from April 1, 2023 to March 31, 2024) was severely affected by sluggish sales of our core innerwear products in major countries. In Japan, sales of products in the mid-price range struggled partly due to prolonged inflation on the back of weaker yen and soaring energy and raw materials prices and increasingly selective consumption behavior as a result, despite solid performance of the brands in the high price range. In the United States where inflation had been on a declining trend, performance remained weak due to continued restraint on purchasing by certain suppliers, despite stable growth in private consumption. Our business in United Kingdom and Europe where private consumption had been on a declining trend due to continuing inflation also lacked momentum in sales. In China where economic activities after the removal of COVID-19 measures had been expected to recover, a recovery in sales fell short of the expectation due to sluggish growth in private consumption in response to deterioration in business confidence owing to the employment crisis.

Under such circumstances, our group has been promoting initiatives for “business model reforms to improve profitability,” “growth strategy to achieve VISION2030,” “introducing ROIC management,” and “promoting asset reduction” under the theme of “shifting to a structure that can steadily generate cash” in accordance with the three-year medium-term management plan revised in November 2023.

In our domestic business, in addition to promoting cost structure reform as part of business model reforms, we initiated reforms on supply chain management aimed at responding promptly to changes in customer needs and market environment, and have been working to control and optimize inventory levels and shorten lead time for planning and development by reviewing product mix at stores and shifting to a demand-response production system. In our overseas business, we have been working to expand sales areas and channels in Europe, in addition to the initiative for utilizing digital to expand contact points with customers to realize growth in our e-commerce business.

As a result of the above, for the current fiscal year, consolidated revenue was 187.208 billion yen (a decrease of 0.7% as compared to such revenue for the previous fiscal year). Despite sluggish sales of our core innerwear products in both Japan and overseas, overseas revenue was boosted by the depreciation of Japanese yen, resulting in a slight decrease in revenue as compared to the previous fiscal year. Business profit amounted to 3.51 billion yen (a decrease of 14.4% as compared to the previous fiscal year) due to higher cost of sales ratio and a reversal of temporary profit resulting from partial revisions to the Flexible Retirement Program at Wacoal Corp. implemented during the previous fiscal year, in addition to the impact of lower revenue.

We recorded consolidated operating loss of 9.503 billion yen (as compared to consolidated operating loss of 3.49 billion yen for the previous fiscal year) as a result of the impairment loss on Wacoal International Corp. (U.S.) due to the business withdrawal and liquidation of Intimates Online Inc. ("IO, Inc.") and others (7.795 billion yen) and the expenses for structural reforms at Wacoal Corp. (5.522 billion yen). Consolidated loss before income taxes and equity in net profit of associated companies was 8.29 billion yen (as compared to a consolidated loss of 0.699 billion yen for the previous fiscal year) and consolidated net loss attributable to owners of parent was 8.632 billion yen (as compared to a consolidated net loss of 1.643 billion yen for the previous fiscal year).

The key exchange rates used for the current fiscal year (the previous fiscal year) were: 144.62 yen (135.47 yen) to the U.S. dollar; 181.76 yen (163.15 yen) to the Sterling pound; and 20.14 yen (19.75 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, 2023)		Current Fiscal Year (ended March 31, 2024)		Increased/(Decreased) from previous fiscal year	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Total Revenue	188,592	100.0	187,208	100.0	(1,384)	(0.7)
Wacoal Business (Domestic)	96,746	51.3	94,198	50.3	(2,548)	(2.6)
Wacoal Business (Overseas)	66,732	35.4	67,757	36.2	+1,025	+1.5
Peach John	11,918	6.3	10,741	5.7	(1,177)	(9.9)
Other	13,196	7.0	14,512	7.8	+1,316	+10.0

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2023)		Current Fiscal Year (ended March 31, 2024)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating (loss) profit	(3,490)	–	(9,503)	–	(6,013)	–
Wacoal Business (Domestic)	2,862	3.0	(4,193)	–	(7,055)	–
Wacoal Business (Overseas)	(7,397)	–	(5,145)	–	+2,252	–
Peach John	915	7.7	(239)	–	(1,154)	–
Other	130	1.0	74	0.5	(56)	(43.1)

(i) Wacoal Business (Domestic)

During the current fiscal year, trends differed by brand and channel with some performing well and others performing less favorably.

In terms of trends by brand, in addition that the performance of the high-price zone brands "Yue" and "Salute" stayed firm, men's innerwear grew, led by "lace boxer for men," as a result of high valuation among consumers. On the other hand, the performance of our main brands "Wacoal" and "Wing" that primarily offer the mid-price zone products was weak due in part to consumers' increasingly selective consumption on the back of rising prices.

In terms of trends by channel, our own e-commerce achieved increased revenue thanks to aggressive sales promotion activities, and revenue from e-commerce operated by other companies also grew as a result of ongoing efforts to strengthen cooperation with EC mall operators. Sales of directly managed stores were at a level similar to the previous fiscal year, contributed by solid sales performance of "WACOAL The Store" and "Wacoal FACTORY STORE," although "AMPHI" that targets the young segment struggled due to a sluggish growth in the number of customers visiting our stores and revenue from clearance sales' falling short of the expectations. On the other hand, sales through department stores and general merchandisers struggled since the number of customers visiting our retail stores remained sluggish due to lack of high-profile products, and also due to the negative impact from suppliers' restraint on purchasing. An increase in returns resulting from weak sales at general merchandisers, in particular, also contributed to a decrease in revenue.

As a result of the above, revenue attributable to our "Wacoal Business (Domestic)" segment was 94.198 billion yen (a decrease of 2.6% as compared to such revenue for the previous fiscal year). While we strived to reduce labor costs by reducing our workforce through special operation of the Flexible Retirement Program during the previous fiscal year and control advertising expenses in light of sales trends, the costs of structural reforms aimed at improving profitability at Wacoal Corp. including reduction of inventories and the implementation of a voluntary retirement program (5.522 billion yen) and the reversal of gain on sales of fixed assets recorded in the previous fiscal year (3.024 billion yen), in addition to lower sales margin, resulted in operating loss of 4.193 billion yen (as compared to operating profit of 2.862 billion yen during the previous fiscal year).

(ii) Wacoal Business (Overseas)

Sales of Wacoal International Corp. (U.S.) were below the previous fiscal year's level mainly due to a significant decrease in revenue at IO Inc. for which business withdrawal has been determined. At Wacoal America, Inc., sales from our physical store channel remained solid on the back of steady growth in consumer spending, and our own e-commerce sales also remained strong due to enhanced sales promotional activities and digital marketing. On the other hand, sales on a local currency basis declined as a result of sales from others' e-commerce falling short of the expectations due in part to clients' continued restraint on purchasing. Sales from IO Inc. were below the expectations, even thought it had focused on reducing inventories through discount promotion since November 2023.

Both the United Kingdom and Europe, the main areas of Wacoal Europe Ltd., recorded sales at a level similar to the previous fiscal year due to an improvement in sales from our physical store channel during the fourth quarter, despite negative impacts from the suspension of shipment resulting from a cyber incident in September 2023 and lower sales of swimwear products owing to cooler summer weather. On the other hand, sales in the United State and other areas remained weak. These caused sales of Wacoal Europe Ltd. as a whole to decline on a local currency basis.

Sales from Wacoal China Co., Ltd. decreased on a local currency basis since sales from others' e-commerce struggled due to intensifying competition in e-commerce, weak performance during Chinese new year holidays and women's day, and other factors, in addition to a decrease in the number of customers visiting stores due in part to prolonged economic slump, while a recovery in economic activities after the removal of the zero-COVID policy had been expected.

As a result of the above, revenues attributable to our "Wacoal Business (Overseas)" segment on a Japanese yen basis were 67.757 billion yen (an increase of 1.5% as compared to such revenues for the previous fiscal year) due to the recent depreciation of the Japanese yen against major currencies despite they were lower on a local currency basis. We recorded an operating loss of 5.145 billion yen (as compared to an operating loss of 7.397 billion yen during the previous fiscal year) due to impairment losses on goodwill and others (7.795 billion yen) recorded at Wacoal International Corp. (U.S.) resulting from IO Inc.'s withdrawing and liquidation business.

(iii) Peach John

In the domestic business during the fiscal year under review, sales from others' e-commerce remained strong thanks to the launch of business with a new EC mall operator. However, both our directly managed stores and own e-commerce struggled, as advertising activities and collaboration using a popular personality aimed at acquiring new customers failed to yield much success.

As a result of the above, revenue attributable to our “Peach John” segment was 10.741 billion yen (a decrease of 9.9% as compared to such revenue for the previous fiscal year). We recorded operating loss of 0.239 billion yen (as compared to operating profit of 0.915 billion yen during the previous fiscal year), affected by a loss resulting from the liquidation of our subsidiary in China in addition to lower sales and an increase in costs associated with the upgrade of e-commerce systems.

(iv) Other

Ai delivered better results than the previous fiscal year thanks to strong performance of both retail stores and our own e-commerce on the back of a recovery in travel-related demand. Nanasai Co., Ltd. also recorded increased sales due to solid performance of its merchandise sales and interior design work businesses on the back of an increase in the number of customers visiting commercial facilities in urban areas. On the other hand, Lecien Corporation recorded lower revenue as a result of sluggish sales of private-label products for a major apparel chain.

As a result of the above, a deterioration of profitability in Nanasai Co., Ltd. and Lecien Corporation despite an increase in the segment revenue to increased 14.512 billion yen (up 10.0% compared to the previous fiscal year) resulted in operating profit of 74 million yen (down 43.1% compared to the previous fiscal year).

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

(Millions of Yen)

Revenue	Previous Fiscal Year (ended March 31, 2023)		Current Fiscal Year (ended March 31, 2024)		Increased/(Decreased) from previous fiscal year	
	Amount	Composition Ratio (%)	Amount	Composition Ratio (%)	Amount	%
Wacoal Corp.	90,948	48.2	88,701	47.4	(2,247)	(2.5)
Wacoal International Corp. (U.S.)	28,014	14.9	28,038	15.0	+24	+0.1
Wacoal Europe Ltd.	19,184	10.2	20,353	10.9	+1,169	+6.1
Wacoal China Co., Ltd.	10,365	5.5	10,396	5.6	+31	+0.3
Peach John Co., Ltd.	11,918	6.3	10,741	5.7	(1,177)	(9.9)
Lecien Corporation	3,189	1.7	2,583	1.4	(606)	(19.0)
Nanasai Co., Ltd.	6,196	3.3	7,723	4.1	+1,527	+24.6

*Revenue to external customers only

(Millions of Yen)

Operating (loss) profit	Previous Fiscal Year (ended March 31, 2023)		Current Fiscal Year (ended March 31, 2024)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Wacoal Corp.	2,753	3.0	(3,061)	–	(5,814)	–
Wacoal International Corp. (U.S.)	(9,448)	–	(6,884)	–	+2,564	–
Wacoal Europe Ltd.	1,680	8.8	1,816	8.9	+136	+8.1
Wacoal China Co., Ltd.	(698)	–	(998)	–	(300)	–
Peach John Co., Ltd.	915	7.7	(239)	–	(1,154)	–
Lecien Corporation	111	3.5	(167)	–	(278)	–
Nanasai Co., Ltd.	9	0.1	94	1.2	+85	+944.4

(2) Financial Position

Our total assets as of March 31, 2024 were 294.029 billion yen, an increase of 8.37 billion yen from the end of the previous fiscal year, due to increases in cash and cash equivalents, other financial assets and retirement benefit assets, and other factors.

Our liabilities were 78.887 billion yen, an increase of 6.71 billion yen from the end of the previous fiscal year, mainly due to an increase in borrowings, income taxes payable and deferred tax liabilities.

Equity attributable to owners of parent was 211.829 billion yen, an increase of 1.632 billion yen from the end of the previous fiscal year, due to an increase in other components of equity and other factors.

As a result of the above, the ratio of equity attributable to owners of parent to total assets as of March 31, 2024 was 72.0%, a decrease of 1.6% from the end of the previous fiscal year.

(3) Cash Flow Status

The balance of cash and cash equivalents at the end of fiscal year 2024 was 33.547 billion yen, an increase of 6.766 billion yen as compared to the end of the previous fiscal year.

(Cash flow provided by operating activities)

Cash flow provided by operating activities was 11.291 billion yen, an increase of 3.957 billion yen as compared to the previous consolidated fiscal year, after adjustments for changes in assets and liabilities to net loss of 8.743 billion yen plus adjustments for depreciation and amortization expenses as well as impairment losses.

(Cash flow provided by investing activities)

Cash flow provided by investing activities was 14.048 billion yen, an increase of 10.146 billion yen in cash flow provided as compared to the previous consolidated fiscal year, due to sale and redemption of other financial assets and other factors.

(Cash flow used in financing activities)

Cash flow used in financing activities was 20.211 billion yen, a decrease of 2.33 billion yen as compared to the previous consolidated fiscal year, due to repurchase of treasury stock, repayment of lease liabilities, as well as payments made for dividends.

(4) Production, Orders Received, and Revenue

(i) Production Results

Our consolidated production results by operating segment for fiscal year ended March 2024 are as follows. No data is available for the Peach John 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)	36,771	91.3
Wacoal Business (Overseas)	20,645	117.9
Total	57,416	99.4

(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

Among Other, the department of Nanasai, which handles interior design and construction of stores at commercial facilities, adopts the build-to-order production system. The status of orders received for other segment for fiscal year ended March 2024 is as follows:

Name of Operating Segment	Amount of Orders Received (Millions of yen)	Changes as Compared to Previous Fiscal Year (%)	Balance of Amount of Orders Received (Millions of yen)	Changes as Compared to Previous Fiscal Year (%)
Other	4,627	111.9	74	39.4

(Note) Inter-segment transactions are offset and eliminated from calculation.

value

(iii) Revenue Results

Our consolidated sales results by operating segment for fiscal year ended March 2024 are as follows:

Name of Operating Segment	Amount (Millions of yen)	Changes as Compared to Previous Fiscal Year (%)
Wacoal Business (Domestic)	94,198	97.4
Wacoal Business (Overseas)	67,757	101.5
Peach John	10,741	90.1
Other	14,512	110.0
Total	187,208	99.3

(Notes) 1. Inter-segment transactions are offset and eliminated from calculation.
2. 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, 2024, we had credit facilities at financial institutions totaling 50.433 billion yen, and the balance of loan which established line of credit amounted to 8.855 billion yen. Of these loans, 5.0 billion yen is available to the Company, 3.18 billion yen is available to Wacoal International Corp. and 0.28 billion yen is available to Torica Inc.

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 have set up new borrowing facilities with financial institutions after April 2020 and borrowed up to 40 billion yen in order to secure liquidity on hand given the uncertainties surrounding the degree and duration of the impact of COVID-19. By the end of the fiscal year ended March 2023, we have repaid 35 billion yen of such new borrowings. 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. 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 – Notes to the consolidated financial statements, 3. Significant Accounting Policies and 4. Significant Accounting Estimates and Judgments."

5.【Material Agreements, etc.】

Not applicable.

6. 【Research and Development】

Our research and development activities are mainly conducted by our Human Science Research & Development Center to achieve harmony between the human body and clothing and to support better product making.

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 the fiscal year ended March 2024, we conducted research focusing on "today's people in their 20s" based on body data and mental data accumulated to date, compiled research results into "Body White Paper," and held an internal convention to make use of it in product development.

As a result of the above, we recorded 370 million yen for our research and development during the fiscal year ended March 2024.

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 developments 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 strengthening product appeal and developing new products or information and services that can gain support from and satisfy our customers.

III. 【Property, Plants, and Equipment】

1. 【Summary of Capital Investment, etc.】

The amount of capital investment for the fiscal year ended March 31, 2024, was 3,381 million yen, mainly including expenditures for system investments made by 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, and Other were 1,999 million yen, 1,020 million yen, 345 million yen, and 17 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, 2024

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.	18,252	1,211	16,412 (268,587)	35,876	98 [–]

(2) Domestic Subsidiaries

As of March 31, 2024

Name of Company (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)				Number of Employee(s)
			Buildings and Structures	Machinery, Vehicle, Equipment, and Fixtures	Land (m^2)	Total	
Wacoal Corp. Head Office (Minami-ku, Kyoto) Two other business office in Kyoto district	Wacoal Business (Domestic)	Facilities for administration affairs	39	125	–	165	1,689 [51]
Wacoal Corp. Tokyo Office (Chiyoda-ku, Tokyo) One other business office in Tokyo	Wacoal Business (Domestic)	Facilities for administration affairs	19	16	–	35	1,218 [30]
Wacoal Corp. Spiral Business Department (Minato-ku, Tokyo)	Wacoal Business (Domestic)	Sales facilities	97	18	–	115	– [–]
Wacoal Distribution Corp. Moriyama Distribution Center (Moriyama, Shiga)	Wacoal Business (Domestic)	Facilities for merchandise management	23	274	–	297	305 [–]
Wacoal Manufacturing Japan Corp. , Nagasaki Plant (Unzen, Nagasaki)	Wacoal Business (Domestic)	Manufacturing facilities	–	66	–	66	264 [–]
Torica Inc. (Saihakugun Nanbucho, Tottori) Three other plants	Wacoal Business (Domestic)	Manufacturing facilities	417	52	180 (40,840)	649	123 [45]
Nanasai Co., Ltd. Osaka Commodity Center (Yodogawa-ku, Osaka)	Other	Manufacturing facilities	116	15	150 (2,790)	281	19 [–]

(3) Overseas Subsidiaries

As of March 31, 2024

Name of Company (Location)	Segment	Type of Equipment and Facilities	Book Value (Millions of yen)				Number of Employee(s)
			Buildings and Structures	Machinery, Vehicle, Equipment, and Fixtures	Land (m^2)	Total	
Wacoal America, Inc. (New Jersey, USA)	Wacoal Business (Overseas)	Facilities for administration affairs/ merchandise management	962	691	365 (32,300)	2,018	211 [–]
Wacoal Dominicana Corp. (Santo Domingo, Dominican Republic)	Wacoal Business (Overseas)	Manufacturing facilities	1,466	632	255 (34,356)	2,353	2,201 [–]
Wacoal Singapore Private Ltd. (Singapore)	Wacoal Business (Overseas)	Facilities for administration affairs	9	16	277 (235)	302	36 [8]
Wacoal Hong Kong Co., Ltd. (Hong Kong)	Wacoal Business (Overseas)	Facilities for administration affairs	304	–	–	304	114 [23]
Wacoal China Co., Ltd. (Beijing, China)	Wacoal Business (Overseas)	Facilities for administration affairs/manufacturing facilities	130	16	– (–) [11,871]	146	404 [–]
Guandong Wacoal Inc. (Guandong, China)	Wacoal Business (Overseas)	Manufacturing facilities	91	121	– (–) [11,224]	212	399 [–]
Vietnam Wacoal Corp. (Bien Hoa City, Vietnam)	Wacoal Business (Overseas)	Facilities for administration affairs/manufacturing facilities	30	143	– (–) [25,195]	174	1,706 [1]
Dalian Wacoal Co., Ltd. (Dalian, China)	Wacoal Business (Overseas)	Manufacturing facilities	115	259	– (–) [27,543]	374	534 [4]
A Tech Textile Co., Ltd. (Kabin Buri, Thailand)	Wacoal Business (Overseas)	Manufacturing facilities	62	195	269 (48,889)	526	234 [–]

(Notes) 1. Area of land under lease by the Company is shown in brackets.

2. None of our major facilities is currently out of service.

3. 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) Two other business office in Kyoto district	Wacoal Business (Domestic)	Facilities for administration affairs	9,109	1,885 (11,208)
Wacoal Corp. Tokyo Office (Chiyoda-ku, Tokyo) One other business office in Tokyo	Wacoal Business (Domestic)	Facilities for administration affairs	1,004	1,945 (1,471)
Wacoal Corp. Spiral Business Department (Minato-ku, Tokyo)	Wacoal Business (Domestic)	Sales facilities	701	3,972 (1,739)
Wacoal Distribution Corp. Moriyama Distribution Center (Moriyama, Shiga)	Wacoal Business (Domestic)	Facilities for merchandise management	5,048	1,419 (38,923)
Wacoal Manufacturing Japan Corp. , Nagasaki Plant (Unzen, Nagasaki)	Wacoal Business (Domestic)	Manufacturing facilities	211	52 (19,369)

4. The average number of temporary employees during the period is in brackets.
5. The details of the major leased facilities by other entities other than the above consolidated subsidiaries are as follows.

(1) Domestic Subsidiaries

Name of Business Office (Location)	Segment	Type of Equipment and Facilities	Buildings (m^2)	Land(m^2)	Annual Lease Amount (Millions of yen)
Peach John Co., Ltd. Head Office (Minato-ku, Tokyo)	Peach John	Facilities for administration affairs	968	–	70

(2) Overseas Subsidiaries

Name of Company (Location)	Segment	Type of Equipment and Facilities	Buildings (m^2)	Land(m^2)	Annual Lease Amount (Millions of yen)
Wacoal America, Inc. (New York, USA)	Wacoal Business (Overseas)	Facilities for administration affairs	4,772	–	426

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, 2024) (shares)	Number of Shares Issued as of the Filing Date (June 25, 2024) (shares)	Names of Stock Exchanges on which the Company is listed or Names of Authorized Financial Instruments Firms Association	Description
Common stock	61,000,000	55,500,000	Prime Market of Tokyo Stock Exchange	Shareholders have unlimited standard rights. The number of shares constituting a unit is 100.
Total	61,000,000	55,500,000	–	–

(Note) Our Board of Directors adopted a resolution at a meeting held on May 15, 2024 regarding cancellation of treasury stock and 5,500,000 shares of treasury stock have been cancelled as of May 24, 2024. As a result, the number of shares issued as of the date of this report is 55,500,000 shares.

(2) Status of Stock Acquisition Rights

(i) 【Stock Option Plans】

(1st Stock Acquisition Rights / 2nd Stock Acquisition Rights)

Date of resolution	July 30, 2008	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 5
Number of stock acquisition rights	19 (Note 1)	4 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 9,500 (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, 2008 until September 1, 2028	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,275 yen Amount capitalized as common stock: 1,138 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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, 2027
   From September 2, 2027 until September 1, 2028.
   (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 40-1 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
   (iv) a proposed amendment of 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 the Company for the acquisition of such shares by transfer; or
   (v) a proposed approval for an amendment of 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.

(3rd Stock Acquisition Rights / 4th Stock Acquisition Rights)

Date of resolution	July 30, 2009	
Category and number of eligible grantees	Director of the Company 4	Director of subsidiary 4
Number of stock acquisition rights	20 (Note 1)	4 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 10,000 (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, 2009 until September 1, 2029	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,169 yen Amount capitalized as common stock: 1,085 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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:

   Number of Allotted Stock after adjustment = Number of Allotted Stock before adjustment X 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" and thereafter; 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, 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, 2028
From September 2, 2028 until September 1, 2029.

(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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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.

(5th Stock Acquisition Rights / 6th Stock Acquisition Rights)

Date of resolution	July 30, 2010	
Category and number of eligible grantees	Director of the Company 4	Director of subsidiary 3
Number of stock acquisition rights	21 (Note 1)	4 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 10,500 (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, 2010 until September 1, 2030	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,163 yen Amount capitalized as common stock: 1,082 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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, 2029
   From September 2, 2029 until September 1, 2030.

   (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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
   (iv) a proposed amendment of 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 of 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.

(7th Stock Acquisition Rights / 8th Stock Acquisition Rights)

Date of resolution	July 29, 2011	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 5
Number of stock acquisition rights	31 (Note 1)	–
Class, description and number of shares represented by stock acquisition rights	Common stock 15,500 (Note 2)	–
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 2, 2011 until September 1, 2031	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 1,757 yen Amount capitalized as common stock: 879 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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, 2030
From September 2, 2030 until September 1, 2031.

(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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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.

(9th Stock Acquisition Rights / 10th Stock Acquisition Rights)

Date of resolution	July 31, 2012	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 4
Number of stock acquisition rights	35 (Note 1)	–
Class, description and number of shares represented by stock acquisition rights	Common stock 17,500 (Note 2)	–
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 4, 2012 until September 3, 2032	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 1,599 yen Amount capitalized as common stock: 800 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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:

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

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, 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, 2031
   From September 2, 2031 until September 3, 2032.
   (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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
  (iv) a proposed amendment of 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 of 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.

(11th Stock Acquisition Rights / 12th Stock Acquisition Rights)

Date of resolution	July 31, 2013	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 6
Number of stock acquisition rights	34 (Note 1)	–
Class, description and number of shares represented by stock acquisition rights	Common stock 17,000 (Note 2)	–
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 3, 2013 until September 2, 2033	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 1,837 yen Amount capitalized as common stock: 919 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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, 2032
From September 2, 2032 until September 2, 2033.

(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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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.

(13th Stock Acquisition Rights / 14th Stock Acquisition Rights)

Date of resolution	July 31, 2014	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 5
Number of stock acquisition rights	30 (Note 1)	6 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 15,000 (Note 2)	Common stock 3,000 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 2, 2014 until September 1, 2034	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 1,875 yen Amount capitalized as common stock: 938 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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, 2033
      From September 2, 2033 until September 1, 2034.
      (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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
  (iv) a proposed amendment of 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 of 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.

(15th Stock Acquisition Rights / 16th Stock Acquisition Rights)

Date of resolution	July 31, 2015	
Category and number of eligible grantees	Director of the Company 5	Director of subsidiary 4
Number of stock acquisition rights	25 (Note 1)	6 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 12,500 (Note 2)	Common stock 3,000 (Note 2)
Amount to be paid upon exercise of stock acquisition rights	One yen per share	
Exercise period	From September 2, 2015 until September 1, 2035	
Issue price for shares issued through the exercise of the stock acquisition rights and the amount capitalized as common stock	Issue price: 2,839 yen Amount capitalized as common stock: 1,420 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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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:

   Number of Allotted Stock after adjustment = Number of Allotted Stock before adjustment X 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, 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, 2034
From September 2, 2034 until September 1, 2035.

(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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
   (iv) a proposed amendment of 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 of 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.

(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	32 (Note 1)	15 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 16,000 (Note 2)	Common stock 7,500 (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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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:

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

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, 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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	20 (Note 1)	9 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 10,000 (Note 2)	Common stock 4,500 (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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
- (iv) a proposed amendment of 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 of 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	111 (Note 1)	55 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 11,100 (Note 2)	Common stock 5,500 (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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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	157 (Note 1)	113 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 15,700 (Note 2)	Common stock 11,300 (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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
  (iv) a proposed amendment of 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 of 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	245 (Note 1)	112 (Note 1)
Class, description and number of shares represented by stock acquisition rights	Common stock 24,500 (Note 2)	Common stock 11,200 (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, 2024). No change has been made as of the end of the month preceding the filing date (May 31, 2024).

(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, 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 share transfer agreement or plan that makes the Company a wholly owned subsidiary;
(iv) a proposed amendment of 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 of 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 24, 2019 (Note 1)	(2,100)	68,589	–	13,260	–	29,294
May 25, 2020 (Note 1)	(3,000)	65,589	–	13,260	–	29,294
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)	–

(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 to the provisions of Paragraph 1, Article 448 of the Companies Act.
3. Our Board of Directors adopted a resolution at a meeting held on May 15, 2024 regarding cancellation of treasury stock and 5,500,000 shares of treasury stock have been cancelled as of May 24, 2024.

(5) Status of Shareholders

As of March 31, 2024

Category	Status of Shares (1 unit = 100 shares)								Shares Less Than One Unit (share)
	National and Local Governments	Financial Institutions	Securities Companies	Other Corporations	Foreign Shareholders		Individuals and Other	Total	
					Foreign shareholders other than individuals	Individuals			
Number of shareholders	1	29	24	153	168	14	13,650	14,039	–
Number of shares held (units)	10	232,042	46,550	62,622	112,167	50	155,403	608,844	115,600
Ratio (%)	0.00	38.11	7.65	10.29	18.42	0.01	25.52	100	–

(Notes) 1. Out of the treasury stock of 5,931,669 shares, 59,316 units are included under "Individuals and Other," and 69 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, 2024

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	5,386	9.78
Meiji Yasuda Life Insurance Company	2-1-1, Marunouchi, Chiyoda-ku, Tokyo	3,050	5.54
The Bank of Mitsubishi UFJ, Ltd.	2-7-1, Marunouchi, Chiyoda-ku, Tokyo	2,704	4.91
The Bank of Kyoto, Ltd.	700, Yakushimae-cho, Karasuma-dori, Matsubara-agaru, Shimogyo-ku, Kyoto	2,352	4.27
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	2,333	4.24
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo (Nippon Life Insurance Securities Services)	1,569	2.85
The Shiga Bank, Ltd.	1-38, Hamamachi, Otsu-shi, Shiga	1,569	2.85
Mitsubishi UFJ Trust and Banking Corporation	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	1,525	2.77
ML INTL EQUITY DERIVATIVES (Standing proxy: BofA Securities Japan Co., Ltd.)	MERRILL LYNCH FINANCIAL CENTRE 2 KING EDWARD STREET LONDON UNITED KINGDOM (Nihonbashi 1-chome Mitsui Building 1-4-1 Nihonbashi, Chuo-ku Tokyo)	1,514	2.75
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3, Marunouchi, Chiyoda-ku, Tokyo	1,220	2.22
Total	————	23,225	42.17

(Notes) 1. The Company is holding 5,931 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 dated November 7, 2022, filed by Nomura Securities Co., Ltd. and its joint holder, which is publicly available, indicates that the shareholders in the below table are holding respective numbers of the Company's shares as of October 31, 2022. However, as we were unable to

confirm the actual status of the shareholdings of these shareholders as of the end of March 31, 2024, those shareholdings have not been reflected in the above list.

In addition, the content of such substantial shareholding 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	33	0.05
Nomura International PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	111	0.17
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	2,588	4.01
Total		2,732	4.24

(7) Status of Voting Rights

(i) Shares Issued

3

As of March 31, 2024

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 stock5,931,600	–	Shareholders have unlimited standard rights. The number of shares constituting a unit is 100.
Shares with full voting rights – other	Common stock54,952,800	549,528	Same as above.
Shares less than one unit	Common stock 115,600	–	Same as above.
Total number of shares issued	61,000,000	–	–
Total voting rights held by all shareholders	–	549,528	–

(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, 2024

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	5,931,600	–	5,931,600	9.72
Total	–	5,931,600	–	5,931,600	9.72

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, acquisition of shares of common stock under the condition set forth in Article 155, Item 7 of the Companies Act, acquisition of shares of common stock under the condition set forth in Article 155, Item 8 of the Companies Act, and acquisition of shares of common stock under the provision set forth in Article 155, Item 13 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 12, 2023) (Period for acquisition: From May 22, 2023 to March 22, 2024)	3,800,000	10,000,000,000
Treasury stock acquired prior to the current fiscal year	–	–
Treasury stock acquired during the current fiscal year	2,967,200	9,999,902,300
Total number of remaining shares under the resolution and their aggregated value	832,800	97,700
Unexercised percentage as of the end of the current fiscal year (%)	21.9	0.0
Treasury stock acquired during the current period	–	–
Unexercised percentage as of the filing date of this report (%)	21.9	0.0

Category	Number of Shares (Shares)	Total Amount (Yen)
Status of Resolution of Board of Directors (May 15, 2024) (Period for acquisition: From June 3, 2024 to March 21, 2025)	7,300,000	25,000,000,000
Treasury stock acquired prior to the current fiscal year	–	–
Treasury stock acquired during the current fiscal year	–	–
Total number of remaining shares under the resolution and their aggregated value	–	–
Unexercised percentage as of the end of the current fiscal year (%)	–	–
Treasury stock acquired during the current period	–	–
Unexercised percentage as of the filing date of this report (%)	–	–

(Note) The number of shares of treasury stock acquired during the period indicated above does not include the number of shares of treasury stock acquired during the period from June 1, 2024 until the filing date of this report.

Acquisition pursuant to Article 155, Item 8 of the Companies Act

Category	Number of Shares (Shares)	Total Amount (Yen)
Status of Resolution of Board of Directors (April 30, 2024) (Period for acquisition: April 30, 2024)	17,146	59,153,700
Treasury stock acquired prior to the current fiscal year	–	–
Treasury stock acquired during the current fiscal year	–	–
Total number of remaining shares under the resolution and their aggregated value	–	–
Unexercised percentage as of the end of the current fiscal year (%)	–	–
Treasury stock acquired during the current period	17,146	59,153,700
Unexercised percentage as of the filing date of this report (%)	–	–

(Notes) 1. This is acquisition through purchase of shares from untraceable shareholders pursuant to the provisions of Paragraph 3 and Paragraph 4 of Article 197 of the Companies Act.
2. The purchase unit price is the closing price of the Company's shares on Tokyo Stock Exchange, Inc. on the purchase date.

(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	434	1,345,887
Treasury stock acquired during the current period	52	178,412

(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, 2024 until the filing date of this report.

Acquisition pursuant to Article 155, Item 13 of the Companies Act

Category	Number of Shares (Shares)	Total Amount (Yen)
Treasury stock acquired during the current fiscal year	2,450	–
Treasury stock acquired during the current period	–	–

(Notes) 1. Due to the acquisition of restricted stock free of charge.
2. The number of shares of treasury stock acquired during the current period does not include the number of shares of restricted stock acquired free of charge during the period from June 1, 2024 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	3,500,000	8,572,208,212	5,500,000	16,011,441,759
Acquired treasury stock that was transferred due to merger, stock swap, stock delivery, or company split	–	–	–	–
Other (exercise of stock acquisition rights)	4,500	12,940,500		
Other (restricted stock)	21,100	51,673,900	–	–
Number of shares of treasury stock held	5,931,669	–	448,867	–

(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, 2024 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 increase 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.

Based on such policy, we plan to 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, with the aim of improving our corporate value, we have actively invested in our overseas businesses, IT, digital technology and human capital. We also plan to use our retained earnings in our strategic investments for maintaining competitiveness and reinforcing growth. With these efforts, we seek to benefit our shareholders by improving future profitability.

(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 9, 2023 Resolution of Board of Directors' meeting	2,848	50.00
May 15, 2024 Resolution of Board of Directors' meeting	2,753	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/

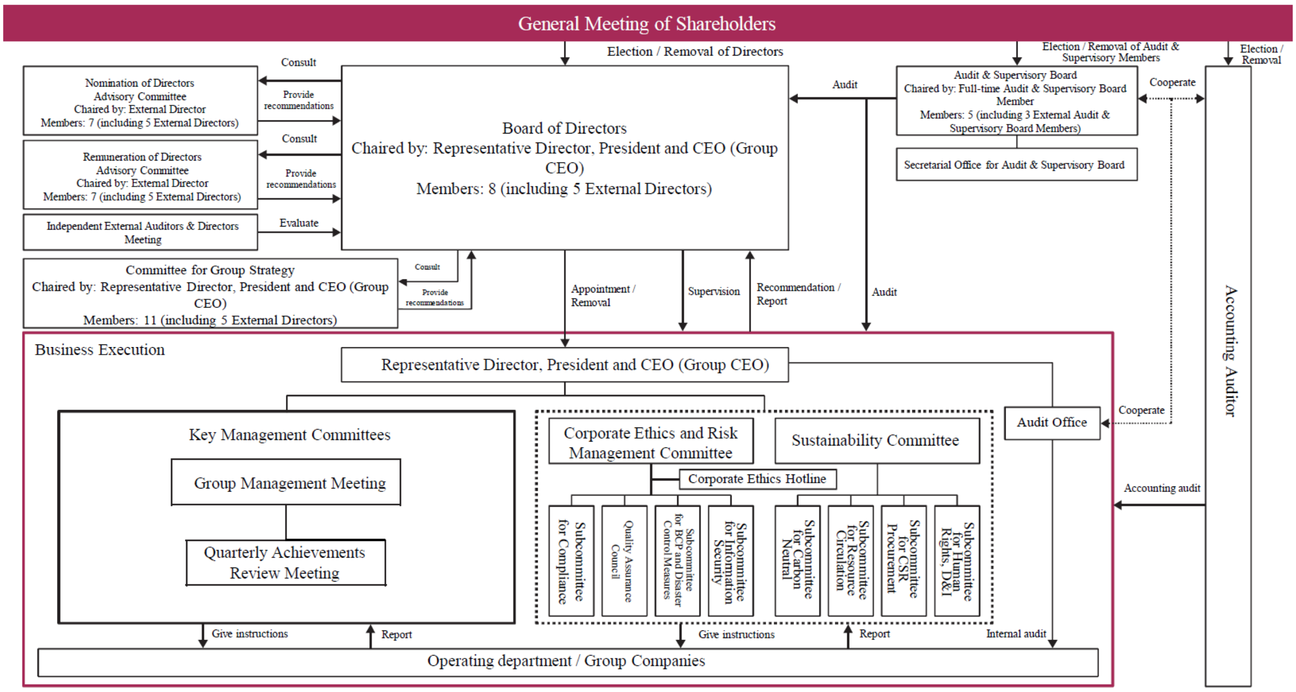
(ii) Outline of System of Corporate Governance and Reason for Adoption of such System

a. Outline of System of Corporate Governance

We, as a holding company, have adopted the company with Audit & 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 & 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 were chaired by External Directors (Independent) and the majority of which are composed of External Directors (Independent). We have also established the Committee for Group Strategy, in which all External Directors (Independent) and External Audit and Supervisory Board Members (Independent) to fully discuss the medium- and long-term management strategies, the medium-term business strategy, the allocation of management resources and the major management issues from various perspectives.

The following diagram illustrates the outline of our corporate governance system (as of June 25, 2024).



The members and chairpersons of the Board of Directors, the Audit & Supervisory Board and the committees established on a voluntary basis are as follows. While the members of the Committee for Group Strategy, the Group Management Meeting, the Corporate Ethics and Risk Management Committee and the Sustainability 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 25, 2024)

Title	Name	Female	Board of Directors	Audit & 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		◎		○			◎	○	☆	☆◎
Representative Director, Vice President, Executive Officer and CFO	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)	Mitsuhiro Hamamoto		□	○			○	△			△
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki		□	○	△	△	○	△			△
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	○	□	○			○	△			△
Corporate Officer	Katsuya Hirooka		△				○	○	○	○	○
Corporate Officer	Atsuko Shinoduka	○	△					○	○	○	○
Corporate Officer	Manabu Tochio		△					○	○	○	
Corporate Officer	Shinsuke Fukazawa		△			○	△		○	○	
Corporate Officer	Takuya Yoshidomi								○	●	
Corporate Officer	Teruo Fukumoto								○	○	

(☆: supervisor, ◎ chair or chairperson, ○ member, □ Attendee, △ observer, ● non-standing member)

The outline of the Board of Directors, the Audit & 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 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.
• Our Board of Directors conducts a review of our medium- to long-term management strategy and social issues, as well as decision-making regarding material matters as stipulated in applicable laws and regulations or in our Articles of Incorporation. 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.
• The Board of Directors consists of a diverse group of Directors, taking into account gender, international experience and background, professional experience, age and other factors, while ensuring that the Directors have the requisite balance of skills, such as knowledge, experience and expertise, each in light of management strategies.
• Directors shall include those who have management experience at other companies, and at least one-third of Directors shall be External Directors (Note 1).
(Note 1: The majority of all Directors are External Directors.)</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>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Audit and Supervisory Board</td><td>Members</td><td>• 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.</td></tr>
<tr><td>Purpose</td><td>• At the Audit and Supervisory Board, Audit and Supervisory Board Members entrusted by shareholders deliberate or resolve on important matters relating to audit and establish a high-quality corporate governance system that responds to social trust.
• The Board builds a system to enhance the effectiveness of audit by each Audit and Supervisory Board Member.</td></tr>
<tr><td>Structure</td><td>• The Company appoints a person who has appropriate experience and ability as well as necessary knowledge to perform the audit function as an Audit and Supervisor Board Member. Especially, we appoint at least one Audit and Supervisory Board Member who has sufficient knowledge of finance and accounting.
• A majority of the members are External Audit and Supervisory Board Members (Independent).</td></tr>
<tr><td>Frequency</td><td>• In principle, the Board holds meeting every month prior to the ordinary meeting of the Board of Directors, while extraordinary meetings are convened whenever necessary.</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Nomination of Directors Advisory Committee</td><td>Members</td><td>• 7 members (including 5 External Directors (Independent))
• External Director (Independent) Mr. Tsunehiko Iwai serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• This Committee discusses 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.
• Attendance and approval of all committee members is required to pass resolutions.</td></tr>
<tr><td>Structure</td><td>• 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 consist of External Directors (Independent), with External Director (Independent) serving as the Chair, to enhance its independence and objectivity.
• The Committee is also attended by one External Audit and Supervisory Board Member (Independent) as an observer.</td></tr>
<tr><td>Frequency</td><td>• In principle, the Committee holds meetings in July, November and January when the Board of Directors' meetings are held, while extraordinary meetings are convened whenever necessary.</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Remuneration of Directors Advisory Committee</td><td>Members</td><td>• 7 members (including 5 External Directors (Independent))
• External Director (Independent) Mr. Tsunehiko Iwai serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• 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.
• Attendance and approval of all committee members is required to pass resolutions.</td></tr>
<tr><td>Structure</td><td>• 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 consist of External Directors (Independent), with External Director (Independent) serving as the Chair, to enhance its independence and objectivity.
• The Committee is also attended by one External Audit and Supervisory Board Member (Independent) as an observer.</td></tr>
<tr><td>Frequency</td><td>• In principle, the Committee holds meetings in April, July and February when the Board of Directors' meetings are held, while extraordinary meetings are convened whenever necessary.</td></tr>
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<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Independent External Auditors & Directors Meeting</td><td>Members</td><td>• 12 members (including 5 External Directors (Independent) and 3 External Audit and Supervisory Board Members (Independent))
• Representative Director, Vice President and Executive Officer and CFO, Mr. Akira Miyagi serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• The meeting attendees, mainly composed of our External Directors (Independent) and External Audit and Supervisory Board Member (Independent), exchange and share opinions regarding corporate governance and our Board of Directors. The meeting attendees analyze and evaluate the effectiveness of our Board of Directors, identify issues, compile improvement measures, and provide recommendations to our Board of Directors.</td></tr>
<tr><td>Structure</td><td>• This Meeting is composed of all External Directors (Independent) (5 members), External Audit and Supervisory Board Members (Independent) (3 members), Director in charge of Group Business Management, Audit and Supervisory Board Members (2 members) as well as General Manager of Corporate Planning Dept.</td></tr>
<tr><td>Frequency</td><td>• The Meeting convenes at least once a year to discuss issues and measures with the aim to improve the effectiveness of our Board of Directors.</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Committee for Group Strategy</td><td>Members</td><td>• 12 members (including 5 External Directors (Independent)) (Note: including the Directors of our group companies)
• Representative Director, President and CEO (Group CEO), Mr. Masaaki Yajima serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• 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, the medium-term business strategy, the allocation of management resources and the major management issues 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 that appropriate adjustment is made in a timely manner.</td></tr>
<tr><td>Structure</td><td>• 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, Directors of our group companies, and all External Directors (Independent).
• In addition, all External Audit and Supervisory Board Members (Independent) and Audit and Supervisory Board Members are invited as an observer.
• In addition, depending on the topic of the recommendation requested by the Board of Directors, external advisors and experts are invited.</td></tr>
<tr><td>Frequency</td><td>• 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.</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Group Management Meeting</td><td>Members</td><td>• 11 members (Note: excluding the employees of the Company as well as the Directors and employees of our domestic and overseas group companies)
• Representative Director, Vice President and Executive Officer and CFO, Mr. Akira Miyagi serves as the Chair of the Meeting.</td></tr>
<tr><td>Purpose</td><td>• The Meeting considers matters concerning the management strategy of our group and important management issues.
• 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.</td></tr>
<tr><td>Structure</td><td>• 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 employees of the Company as well as the Directors and employees of our domestic and overseas group companies who are responsible for execution.</td></tr>
<tr><td>Frequency</td><td>• In principle, the Meeting is held twice a month (early and later in the month).</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Corporate Ethics and Risk Management Committee</td><td>Members</td><td>• 11 members (Chair and standing committee members) (in addition, 7 non-standing committee members)
(Note: including the employees of the Company as well as the Directors and employees of our domestic and overseas group companies)
• Representative Director, Vice President and Executive Officer and CFO, Mr. Akira Miyagi serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• The Committee identifies risks related to the overall management of our group, and build and strengthen 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.</td></tr>
<tr><td>Structure</td><td>• This Committee is composed of Representative Director, President and CEO (Group CEO), who serves as the supervising manager, the Executive Corporate Officer, 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.</td></tr>
<tr><td>Frequency</td><td>• In principle, the Committee holds quarterly meetings, while extraordinary meetings are convened whenever necessary.</td></tr>
</table>

<table>
<tr><th>Name</th><th colspan="2">Outline</th></tr>
<tr><td rowspan="4">Sustainability Committee</td><td>Members</td><td>• 6 members (Note: including the Directors of our group companies)
• Representative Director, President and CEO (Group CEO), Mr. Masaaki Yajima serves as the Chair of the Committee.</td></tr>
<tr><td>Purpose</td><td>• In order to accelerate our initiatives to achieve balancing “to resolve social issues” and “sustainable growth” through our business, this Committee formulates specific measures, monitors progress, and evaluates the status of achievement based on our basic policy on sustainability issues including climate change, global environmental issues and human rights issues.
• The Board of Directors monitors the allocation of management resources and the implementation of strategies related to the business portfolios to ensure that the initiatives of the Sustainable Committee contribute to sustainable growth.</td></tr>
<tr><td>Structure</td><td>• This Committee is composed of the Representative Director, President and CEO (Group CEO), who serves as the supervising manager, the Executive Corporate Officer, the Corporate Officers who are appointed by the Chair, and Directors of our group companies.
• 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.</td></tr>
<tr><td>Frequency</td><td>• The Committee broadly categorizes issues surrounding sustainability, and holds quarterly meetings, in principle, while extraordinary meetings are convened whenever necessary.</td></tr>
</table>

b. Reason for Adopting Such Corporate Governance System

The Company has adopted a governance system by 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). 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, the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee have been established as advisory bodies to the Board of Directors. The fairness, independence and objectivity are enhanced by having a majority of both of these Committees composed of External Director (Independent) and by having an External Director (Independent) serve as the Chair of each of these Committees.

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 Evaluation on Effectiveness for the current fiscal year (ended March 31, 2024), we updated the evaluation design using a third party aiming "to secure objectivity and extract issues from the viewpoint of external parties," and set new evaluation items as follows.

a) Confirmation of the status of improvement measures of the current fiscal year for the issues identified based on the results of the Evaluation on Effectiveness for the previous fiscal year (ended March 31, 2023)
b) The way the Board of Directors should be for the improvement of the medium- and long-term corporate value, etc., including the discussion about the revision of the medium-term management plan announced in November 2023, considering the severe management environment surrounding the Group these days

We conducted a questionnaire survey to all of the Directors and Audit and Supervisory Board Members. Then, with the interview with a third party and the Secretariat of the Independent External Auditors & Directors Meeting for the Effectiveness of Board of Directors, we scrutinized their answers of the questionnaire and their awareness of issues and asked their opinions on the future roles and responsibilities of Directors and the improvement measures to enhance the effectiveness of the Board of Directors.

The evaluation items of the questionnaire survey are as follows:

a. roles and/or responsibilities of the Board of Directors
b. structure of the Board of Directors
c. quality of discussions (agendas, content of materials, etc.)
d. constructive dialogues with stakeholders

As mentioned above, we analyzed the answers and extracted issues based on a third party's advice, and consolidated improvement measures Then, the improvement measures are discussed at the Independent External Auditors & Directors Meeting freely, and recommendations are provided to the 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 opinions collected through the interview, we confirmed that deep and quality discussion is carried out by the Board of Directors of the Company, and the effectiveness is secured.

The reasons why we confirmed that the effectiveness is secured are as follows.

a) External Directors (Independent) and External Audit and Supervisory Board Members (Independent) are engaged in activities to understand the Company’s business outside of the Board of Directors, such as the inspection of business and the opportunity to interact with employees.
b) The Board of Directors, of which the majority is composed of External Directors (Independent), has open and lively discussions based on their knowledge and management experiences gained outside of the Company.
c) For the revision of the medium-term management plan, deep deliberations are made focusing on capital efficiency

	Evaluation Result (Issues and Concerns)	Progress/Plan of Initiatives for Improvement
Previous Fiscal Year (ended March 31, 2023)	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	i) Securing sufficient time for the discussions from various viewpoints based on the knowledge of External Directors (Independent) during the process of formulating the revised medium-term management plan as well as their and active involvement in the formulation process (Note: For the details of discussions regarding the revision of the medium-term management plan, please refer to the WACOAL HOLDINGS INTEGRATED REPORT 2023 “Interview with an External Director” (From P.59, the link below). https://www.wacoalholdings.jp/en/ir/pdf/e202320.pdf Discussion about the measures to be elaborated, such as the deep dive of the measures by regions regarding the direction of the overseas business described in the revised medium-term management plan Enhancement of the opportunities to provide information to the Board of Directors, etc. due to the rising importance of brand and promotion strategies for the domestic business
	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	ii) Implementation of the visits and inspection trips to stores, distribution centers, domestic and foreign operation sites, factories, etc. to properly respond to the changes in the environment surrounding the business We continued to set up opportunities for communicating with the Independent Officers, Corporate Officers and managers.

	Evaluation Result (Issues and Concerns)	Progress/Plan of Initiatives for Improvement
Current Fiscal Year (ended March 31, 2024)	i) 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 of the plan timely and adequately if required ii) Reinforcement of the distribution of meeting materials in advance and the improvement of the quality of discussion by clarifying the argument of the materials iii) 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 iv) Development of a succession plan including the selection of candidates and nurturing process and the implementation of monitoring	i) Establishment of the opportunities to report quarterly the progress of each measure of the revised medium-term management plan and other important matters to be reported as a general rule ii) Promotion of the effort to improve the quality of discussions by setting up a unified format for meeting materials and attachment of an executive summary that specifies the background and argument iii) Specifying the risks and opportunities regarding the agenda and matters to be resolved in meeting materials Reinforcement of the system that allows us to select risks by identifying risks and selecting measures from the management perspective, and continuously monitor and manage risk-taking projects iv) For the positions that are Corporate Officer or higher, we have promoted the establishment of succession plan road map from the medium-to long-term viewpoint defining the image of an ideal leader and candidates' appointment and development processes as well as the creation of the human resources nurturing program. 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), while continuing to implement the initiatives described above.

(iii) Other Matters regarding Corporate Governance

a. Status of Internal Control System

Pursuant to the provisions of Item 6, Paragraph 4, Article 362 of the Companies Act (Authorities of Directors, etc.), we have established the following systems to ensure that the execution of duties by the Directors of the Company complies with laws and regulations and the Articles of Incorporation and gets carried out efficiently, and the systems required by the applicable Ordinance of Ministry of Justice to ensure that the business conduct of the business group comprised of the Company and its subsidiaries is appropriate.

We will continue to improve this internal control system and will work to build a system that is more appropriate and efficient.

System to Ensure Appropriate Business Conduct (as of March 31, 2023)

(i) 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 “Wacoal Code of Ethics” and “Corporate Ethics and Wacoal Standards of Conduct.”

- 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.

- 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.

- The “Corporate Ethics and Wacoal Standards of Conduct” prescribes that Directors and employees shall firmly refuse to comply with demands of antisocial forces. In order to handle unjust demands of antisocial forces, we cooperate with outside specialized institutions, collect and/or control information related to antisocial forces and are building an internal system.

(ii) 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.

(iii) 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 Representative Director, Vice President and Executive Officer and CFO in charge of Group Business Management acts as the chairperson.

- 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 Corporate Ethics and Risk Management 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.

- 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.

- 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).

- 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.

- 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 Sustainability Committee contribute to sustainable growth.

(iv) System to Ensure Effective Execution of Duties by Directors

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

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

- 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 supervise 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 the important matters to be resolved at the Board of Directors, such as the Wacoal Group's management philosophy, management policy, business strategy, medium- and long-term management strategy, which is positioned as the core, and the allocation of management resources, the Board of Directors consults with the Committee for Group Strategy, in which 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 that appropriate adjustment is made in a timely manner.

- 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.

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

(v) 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.

- 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.

- 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.

(vi) Matters concerning Assistants to Audit and Supervisory Board Members

- 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.

- 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.

(vii) 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. Any employee who makes such report will not be at a disadvantage for the reason of making such report.

- Through the reporting of the following matters in addition to statutory matters to the Audit and Supervisory Board Members by Directors and employees of the Wacoal Group, we strive to have the Audit and Supervisory Board Members' audit conducted effectively.

  Matters referred to the Committee for Group Strategy and the Group Management Meeting
  Monthly and quarterly Group management conditions
  Status of reports through the internal alert system
  Other significant matters

(viii) 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.

- 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.

- 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.

Outline of Operation of our "System to ensure Appropriate Business Conduct"

(i) System to ensure that execution of duties by Directors and/or employees is in compliance with laws and regulations and the Company's Articles of Incorporation

- Revisions to the "Corporate Ethics: Wacoal Standards of Conduct" were compiled in response to the review of the framework of our management philosophy and changes in the environment surrounding our businesses. The revised standards of conduct have been in use as the 7th edition since April 2024.

- 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 for Compliance holds quarterly meetings, and discusses and reviews awareness of compliance and matters reported to us through the internal alert system.

- Our legal/compliance department continues to provide level-specific group education, e-learning programs and periodic compliance newsletters as part of our educational activities on compliance for our employees, and has established the corporate ethics focus month starting from the fiscal year ending March 31, 2025. We have been making step-by-step efforts to provide compliance awareness training, carry out third-party compliance review, and expand the operation of the Corporate Ethics Hotline for our overseas subsidiaries.

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

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

(iii) Rules and Other Systems concerning Risk Management of Losses

- In accordance with the "Risk Management Basic Rules," the Corporate Ethics and Risk Management Committee conducts a scoring evaluation of risks extracted from each risk management organization it designates from the perspective of likelihood of occurrence and degree of impact by using the "Business Risk Evaluation Sheet." Risk items that are evaluated as having a significant potential impact on the management of the Wacoal Group are submitted to the Board of Directors on a yearly basis for decision as "Group's Materials Risks."

- Accordingly, the Corporate Ethics and Risk Management 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. The Corporate Ethics and Risk Management Committee met 4 times in June, September, December, and March during the fiscal year ended March 31, 2024.

- In the fiscal year ended March 31, 2023, we have established a new Sustainability Committee to accelerate our initiatives to achieve balancing "to resolve social issues" and "corporate growth" through our business. The Sustainability Committee regularly meets on the same day as a meeting of the Board of Directors is held, monitors progress of specific initiatives with respect to issues surrounding sustainability and evaluates achievements. The Sustainability Committee met 7 times in May, June, August, September, December, February, and March during the fiscal year ended March 31, 2024.

(iv) System to ensure Effective Execution of Duties by Director)

- We engage in highly transparent decision-making by appointing 5 External Directors (Independent) among our 7 Directors.

- 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.

- In addition, the important matters to be resolved at the Board of Directors, such as the Wacoal Group's management philosophy, management policy, business strategy and the medium- and long-term management strategy, which is positioned as the core, and the allocation of management resources were fully discuss at the Committee for Group Strategy. Then, the matters are considered for the decision making regarding the medium-term management plan (revision), etc. The Committee for Group Strategy met 12 times in June, July, August, September, October (3 times), November (twice), December, January and March during the fiscal year ended March 31, 2024.

- 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.

(v) System to ensure Appropriate Business Conduct within Group Companies

- Matters to be decided and reported by our subsidiaries are appropriately managed in accordance with the "Group Management Rules."

- 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.

(vi) Matters concerning Assistants to Audit and Supervisory Board Members

- 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, therefore no assistant for their duties has been appointed.

(vii) 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

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

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

(viii) Other Systems to ensure Effective Audits by Audit and Supervisory Board Members

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

- 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 and Supervisory Board Members, regularly and whenever necessary, exchange information and opinions with the Accounting Auditor and the Audit 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 Directors (excluding executive directors, etc.) and Audit and Supervisory Board Members to bear their liability for damages as stipulated in Paragraph 1, Article 423 of the Companies Act up to the minimum amount stipulated in Paragraph 1, Article 425 of the Companies Act.

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 to cover the insured's losses and losses incurred from disputes, etc. 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.

Provided, however, that 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 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

(i) Acquisition of Treasury Stock

Our Articles of Incorporation prescribes that the Company may acquire treasury stock by resolution of the Board of Directors pursuant to Paragraph 2, Article 165 of the Companies Act in order to implement a flexible capital policy and return profits to the shareholders.

(ii) Decision-Making Body for Distribution of Earnings, etc.

Our Articles of Incorporation prescribe that matters set out in each Item of Paragraph 1, Article 459 of the Companies Act (including the matters concerning distribution of earnings) shall be determined by a resolution of the Board of Directors, unless otherwise provided for in any laws or regulations, for the purpose of performing an 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, 2024)

The following table shows the members and chairpersons of the Board of Directors, the Nomination of Directors Advisory Committee and the Remuneration of Directors Advisory Committee, the Committee for Group Strategy as well as their meetings and attendance record for the fiscal year ended March 31, 2024:

(Note: The Committee for Group Strategy was established in June 2023 during the fiscal year ended March 31, 2024)

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)	Hironobu Yasuhara	◎	4/4 (100%)	○	1/1 (100%)				
Director, Executive Corporate Officer (until June 2023)	Masaaki Yajima	○	17/17 (100%)	○	5/5 (100%)			◎	12/12 (100%)
Representative Director, President and CEO (Group CEO) (from June 2023)		◎							
Representative Director Vice President, Executive Officer and CFO	Akira Miyagi	○	17/17 (100%)	○	6/6 (100%)	○	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Madoka Mayuzumi	○	4/4 (100%)	○	1/1 (100%)	○	1/1 (100%)		
External Director (Independent)	Shigeru Saito	○	17/17 (100%)	○	6/6 (100%)	○	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Tsunehiko Iwai	○	17/17 (100%)	◎	6/6 (100%)	◎	4/4 (100%)	○	12/12 (100%)
External Director (Independent)	Chizuru Yamauchi	○	13/13 (100%)	○	5/5 (100%)	○	3/3 (100%)	○	12/12 (100%)
External Director (Independent)	Hisae Sato	○	13/13 (100%)	○	4/4 (100%)	○	2/2 (100%)	○	12/12 (100%)
External Director (Independent)	Koji Nitto	○	13/13 (100%)	○	4/4 (100%)	○	2/2 (100%)	○	12/12 (100%)
Audit and Supervisory Board Member	Shinichi Kitagawa	□	17/17 (100%)					△	
Audit and Supervisory Board Member	Katsuhiro Okamoto	□	17/17 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Hiroshi Shirai	□	4/4 (100%)						
External Audit and Supervisory Board Member (Independent)	Mitsuhiro Hamamoto	□	17/17 (100%)					△	
External Audit and Supervisory Board Member (Independent)	Minoru Shimada	□	4/4 (100%)	△		△			
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki	□	13/13 (100%)	△		△		△	
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	□	13/13 (100%)					△	
Corporate Officer	Katsuya Hirooka	△						○	12/12 (100%)
Corporate Officer	Atsuko Shinoduka	△						○	12/12 (100%)

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
Corporate Officer	Shinsuke Fukazawa	△				○	4/4 (100%)		
Corporate Officer	Takuya Yoshidomi								
Corporate Officer	Teruo Fukumoto								

(◎ chair or chairperson, ○ member, □ attendee, △ observer)

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, the allocation of management resources, are discussed. • The following matters were mainly discussed and considered during the current fiscal year ended March 31, 2024. i) Corporate Governance As a result of the evaluation of the composition and skill balance of the Board of Directors, the "Nomination of Directors Advisory Committee" submitted a list of three proposed candidates for External Directors (Independent), who have abundant knowledge of sustainability, D&I, investment and the financial capital market. The list was approved and then submitted to a general meeting of shareholders, which was held in June 2023, as an agenda item. The amount of basic remuneration of the Company's Directors (excluding External Directors (Independent)) to be reduced was resolved in consideration of the downward revision of the consolidated financial forecast of the current fiscal year ended in March 31, 2024, the structure reform (The item of "Capital efficiency") mentioned below, and the management responsibility based on the results of the withdrawal of business in the U.S. after the consultation with the Remuneration of Directors Advisory Committee. Meanwhile, the Remuneration of Directors Advisory Committee started preparing for the introduction of the performance share unit compensation plan, which further clarifies the link among the compensation of the Company's Director, consolidated financial results and the value of the Company's stock, provides an incentive to continuously improve corporate value and promote the value sharing with shareholders. (It is to be approved at the Board of Directors held in May 2024, the next fiscal year, and proposed at the Ordinary General Meeting of Shareholders held on June 2024.) In addition, in June 2023, we have established the Committee for Group Strategy as an advisory body to the Board of Directors, which all External Directors (Independent), External Audit and Supervisory Board Members (Independent) and the Group companies' Director and Corporate Officers attend to fully discuss the medium- and long-term business strategies, the medium business strategies, the allocation of management resources and major management issues from various perspectives. 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 CSR procurement regarding the respect for human rights and D&I and ensuring diversity including promotion of activities by women, as well as a plan for initiatives and its progress by our group. Based on that, we are discussing our response including the cost associated with greenhouse gas reduction, which should be addressed as an important management issue, gender gap and human rights infringement risk hidden in the supply chain. 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 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 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.	17

	Subsequently, we conducted supervision and received 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. We also had a discussion on cyber attack, which has been damaging Japanese companies both in Japan and overseas these days, including security management system and the implementation of required measures. iv) Medium- to Long-Term Business Strategies Concerning the execution of the "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," which was posed as one of the issues to improve the effectiveness of the Board of Directors, we repeated active and deep discussions during the process of formulating the revised medium-term management plan as mentioned in the previous paragraph stating the evaluation results of the effectiveness of the Board of Directors and the status of the improvement effort. In addition, we resolved the revised medium-term management plan formulated to realize "Improvement of business profitability," "Improvement of Return on Invested Capital," "Transformation of brand and customer marketing strategies," etc. 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 Along with the resolution of the revised medium-term management plan, which reevaluate the Company's business portfolios and tried to achieve an appropriate reallocation of management resources, we deepened discussions on the direction of addressing low-profitable businesses in the Group and criteria for judging such businesses, and in addition, made decisions on introducing ROIC management, promoting asset reduction (disposal of assets that do not contribute to enhancement of the corporate value), and inviting voluntary retirement. In addition, in the U.S. market, we decided to withdraw the LIVELY brand business, which we aimed to expand having EC as its main sales channel with the digital marketing utilizing SNS considering its low potential. We also continue to look into the issues related to improvement of capital profitability. (In April and May 2024, the next fiscal year, we will make resolutions on business fixed assets (real estate holdings) and the transfer of Group companies' shares.) • In addition to the above, reports are made from the Directors and Corporate Officers monthly on the status of execution and deliberations at 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	• Based on the management directions toward improving corporate value over the medium- to long-term, we held a meeting to discuss the roles expected from the Directors, revised the skills matrix based on such roles, and confirmed the composition of the Board of Directors and personnel requirements, the details of which were reported at a meeting of the Board of Directors held in May 2023. • We have revised the rules of this Committee, the details of which were reported at a meeting of the Board of Directors held in August 2023. We also reported on our annual activity plan (initial draft with additional review in progress) in August. • As for the appointment of the candidates for Director (including the appointment of the candidates for Corporate Officer who would become the candidates for Director in the future), we have made arrangement again after having discussions and developing systematic appointment system. • We held multiple meetings to discuss the composition of the Board of Directors after June 2024, considering the appropriateness of skills balance using the matrix, ensuring diversity, career summary of candidates and reason for nomination, and narrowed down the candidates for Director. (A report will be made at a meeting of the Board of Directors held in May 2024.)	6

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 amount of performance-based bonus payable based on the business performance of the previous fiscal year (ended March 31, 2023) was reported at a meeting of the Board of Directors held in May 2023. • We have revised the rules of this Committee, the details of which were reported at a meeting of the Board of Directors held in August 2023. We also reported on our annual activity plan (initial draft with additional review in progress) in August. • Having the downward revision of the consolidated results forecast for the current fiscal year (ended March 31, 2024) and subsidiaries' implementation of restructuring as the backdrop, we submit a recommendation on the reduction of Directors' basic compensation to clarify the management responsibilities at the Board of Directors held in November. • We exchanged opinions and had ongoing discussions about the current issues and improvements related to the remuneration system for Directors. We started preparing for the introduction of the performance share unit compensation plan, which is the recommendation. (It will be proposed at the Board of Directors held in May 2024, the next fiscal year, and approved at the 76th Ordinary General Meeting of Shareholders.) • We confirmed the direction of the amount of performance-based bonus payable based on the projected consolidated performance for the current fiscal year (ended March 31, 2024) (No payment).	4

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, 2024 and reported to the Board of Directors. • In addition, the Committee actively got involved in the process of formulating the revised medium-term management plan, which will become the main points of the policy. i) Arrangement of the Foundation for Group Management Multiple discussions were made for the utilization of business fixed assets (real estate holdings). The Committee recommended the sales of the properties that do not contribute to enhancement of corporate value with a view to improving asset and capital efficiency, which leads to the Promotion of Asset Reduction policy of the revised medium-term management plan. For the introduction and embedding of ROIC management, we discussed the introduction process including the embedding of the significance and reported the necessity of the transformation for active management approach to realize the return that exceeds capital cost and use the earnings for investment and return to multi-stakeholders. ii) Growth Strategy for Overseas Business We confirmed that in the European, American and Chinese markets, it is necessary to accelerate the conversion to an EC-focused business model and that there is room for development in the market (by region and segment). Then, we discussed the allocation of required management resources. iii) Portfolio of Domestic Business We discussed a plan to address the continuously unprofitable domestic group companies. By confirming how our future business portfolios should be considering the changes in the environment surrounding our business as well as the criteria for the evaluation of business continuity or withdrawal, we recommended to arrange a monitoring system that would enable timely and appropriate judgement for the modification of the plan to address the issue. iv) Business Structure Reform We discussed the recovery of growth and profitability of Wacoal Corp., the core of our domestic business. We confirmed the direction to improve the business efficiency by establishing brand portfolios with better clarification of the value to provide and promote the SCM reform to achieve the demand-linked lead time reduction. For the strengthening of human capital, we discussed our initiatives to realize organizational management by a small group of highly skilled employees with individual growth, improvement of organizational strength and fostering an attractive culture by having the recruitment, training and promotion of the talents who will be responsible for the company’s growth as a starting point. The voluntary retirement program is unavoidable. We confirmed that we will simultaneously promote the improvement of compensation and treatment systems.	12

(2) Officers

(i) List of Officers

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	156
			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)		
Representative Director, Vice President, Executive Officer and CFO	Akira Miyagi	Oct. 18, 1960	Mar. 1984	Joined the Company	Note 1	156
			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 (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 Executive Officer	Keisuke Kawanishi	Oct. 7, 1971	Apr. 1994 May 2015 Apr. 2020 May 2020 Apr. 2022 Apr. 2023 Jun. 2024	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. (present position) Director of the Company (present position)	Note 1	77
Director	Tsunehiko Iwai	May 28, 1953	Apr. 1979 Apr. 2002 Apr. 2008 Jun. 2014 Jan. 2016 Mar. 2018 Jun. 2018	Joined Shiseido Co., Ltd. General Manager of Product Commercialization, Planning Department, Shiseido Co., Ltd. Corporate Officer, General Manager of Technical Department, Shiseido Co., Ltd. Director, Corporate Executive Officer in charge of Research & Development, Production and Technical Affairs, Shiseido Co., Ltd. Representative Director, Executive Vice President, Chief Technology & Innovation Officer, Shiseido Co., Ltd. Senior Advisor, Shiseido Co., Ltd. Director of the Company (present position)	Note 1	1
Director	Chizuru Yamauchi	Feb. 25, 1957	Apr. 1975 Mar. 2009 Mar. 2014 Mar. 2015 Mar. 2019 Jul. 2019 May 2021 Mar. 2022 Jun. 2023	Joined Nippon Life Insurance Company Head of Kagayaki Promotion Office, Nippon Life Insurance Company General Manager, Service Planning Dept., Nippon Life Insurance Company Executive Officer, General Manager, CSR Promotion Dept., Nippon Life Insurance Company Managing Executive Officer, General manager of Health & Productivity Management Promotion Division, Nippon Life Insurance Company 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 Chair, Diversity and Inclusion Sub Committee, Labor Policy Committee, Kansai Economic Federation Director, Nippon Life Insurance Company Director of the Company (present position)	Note 1	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)
Director	Hisae Sato	Oct. 16, 1961	Apr. 1985	Joined the Hokkaido Takushoku Bank, Limited	Note 1	–
			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	13
			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	–
			Apr. 1990	Joined Nippon Life Insurance Company		
			May 1996	Completed master's degree University of California, Berkeley		
			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, Audit & Supervisory Committee Member and Chairman of the Board, Dream Incubator Inc. (present position) 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)
Audit and Supervisory Board Member (Full Time)	Shinichi Kitagawa	Dec. 29, 1962	Mar. 1985	Joined the Company	Note 3	16
			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 & Supervisory Board Member (present position)		
			Jun. 2021	Auditor of Wacoal Corp. (present position)		
Audit and Supervisory Board Member (Full Time)	Katsuhiro Okamoto	Oct. 20, 1963	Mar. 1986	Joined the Company	Note 4	6
			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.		
			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)		
				Audit and Supervisory Board Member of the Company (present position)		
Audit and Supervisory Board Member	Mitsuhiro Hamamoto	Apr. 18, 1970	Oct. 2000	Admitted to the Bar	Note 4	52
			Oct. 2000	Joined the Law Office of Tadashi Yamada		
			Oct. 2004	Joined the Kikkawa Law Office		
			Apr. 2008	Partner at the Kikkawa Law Office		
			Jun. 2017	Audit and Supervisory Board Member of the Company (present position)		
			Feb. 2019	Managing Partner of Hamamoto Law Office (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)		

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	Motoko Tanaka	Dec. 13, 1959	Oct. 1989	Joined Tohmatsu Awoki & Sanwa (current “Deloitte Touche Tohmatsu LLC”)	Note 5	–
			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)		
Total						480

(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, 2024.
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 29, 2021.
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. Mitsuhiro Hamamoto, Mr. Hitoshi Suzuki and Ms. Motoko Tanaka 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 as of the filing date of this report are as follows.

	Title	Name
Corporate Officer	General Manager of Corporate Planning	Katsuya Hirooka
Corporate Officer	In charge of Group Digital Transformation (DX) Marketing	Atsuko Shinoduka
Corporate Officer	Head of Global Operations Div.	Manabu Tochio
Corporate Officer	In charge of Group Personnel	Shinsuke Fukazawa
Corporate Officer	In charge of Group IT Promotion	Takuya Yoshidomi
Corporate Officer	In charge of Group Technology and Manufacturing	Teruo Fukumoto

(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 experiences as business administrators in financial industry, extensive knowledge from their experience as a member of the Policy Board of the Bank of Japan, independent attorneys at law or independent certified public accountants having a considerable degree of finance and accounting knowledge, 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 an External Director (Independent) and an External Audit and Supervisory Board Member (Independent).

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

1. A candidate with superior character and knowledge who is mentally and physically healthy;
2. A candidate who has a law-abiding spirit;
3. A candidate who has comprehensive experience in business operation, company management, the legal community, administration, accounting, education or culture and art and upon re-election, his/her management performance and contribution to the group management during the term of office shall be considered;
4. One third of the number of Directors shall be Outside Directors, and with respect to Outside Directors and Outside Audit & Supervisory Board Member (collectively, the "Outside Officers") a candidate who is not in violation of the "Criteria for Election of outside Officers (to ensure independence)" separately prescribed by the Company;
5. With respect to Outside Officers, a candidate who is not currently holding a position as an officer of 4 or more listed companies; and
6. A Candidate whose election to the Board of Directors or the Audit & Supervisory Board contributes to balanced knowledge, experience and expertise and ensures diversity such as gender and internationalism.

＜Criteria for Removal＞

1. If an officer acts against public policy; or
2. If an officer is neglecting its duties and deemed to be failing to fulfill its duties.

The Company believes that External Directors (Independent) and External Audit & 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:

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
   (1) 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
   (2) Main lenders of the Wacoal Group*3. If the party in question is a legal entity, business executives who belong to the relevant lender
   (3) Business executives who belong to Wacoal's lead securities brokerage
   (4) 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. 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 last three 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 9 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.

*1 Business executive refers to managing directors, executive officers, corporate officers, and other employees equivalent to these.

*2 Main business partner refers to a counterpart who is a buyer or a supplier from the perspective of the Wacoal Group or the relevant party, and whose average annual transactions over the past three years exceeds 2% of the consolidated sales of the Wacoal Group or the relevant party.

*3 Main lender refers to financial institutions or individuals from whom the Wacoal Group borrows, and where the balance of borrowed funds as of the end of the fiscal year for the last three years constitutes more than 2% of the consolidated assets of Wacoal or the relevant lender.

*4 Large sums refer to an average amount of more than 10 million yen annually over the last three years for services rendered, regardless of whether the services were rendered to the Wacoal Group by the specialist in question as an individual or by an organization to which they belong.

*5 Large donations refer to donations that exceed 10 million yen annually over the last three years.

*6 Important persons refer to (i) employees or equivalent persons in the case of certified public accountants who belong to an auditing or accountant firm, partners or equivalent persons in the case of lawyers who belong to a law office, or equivalent persons in the case of specialists who belongs to another legal entity, or (ii) managing directors, executive officers, corporate officers, and senior managers with the rank of department manager or higher, or officials such as councilors, administrative officers, and auditor secretaries in the case of business executives belonging to legal entities, and persons objectively and logically deemed to have equivalent importance.

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.

Three of our External Directors (Independent) and one of our External Audit and Supervisory Board Members (Independent) hold 1,700 and 5,200 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	External Director of Cross Plus Inc.	Mr. Iwai served as the Representative Director of a cosmetics manufacturer and distributer which operated globally. Mr. 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 Remuneration of Directors Advisory Committee. We expect that he will continue to provide advice that will contribute to enhance our corporate value and strengthen oversight over the Company and appoint him as 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	Advisor of Nippon Life Insurance Company	Ms. Yamauchi's extensive knowledge and experience as an executive, as well as expertise in diversity and inclusion enable her to contribute to the management of the Company. We expect that she will keep providing advice on and human resources and organization strategies, such as women's empowerment, human resource development, and organization development, as well as advice that will contribute to enhancing corporate value, and supervise the management of the Company. Therefore, we appoint her as 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. Yamauchi is the Advisor of Nippon Life Insurance Company, which is one of our major shareholders, however, the shareholding ratio is 2.9% on a voting right basis and there is no concern with respect to her independence.

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 Member of Subcommittee on Asset Management Nation of the Council of New Form of Capitalism Realization, Cabinet Secretariat	Ms. Sato has been contributing to the management of the Company based on her experience as an asset management consultant at a foreign-associated 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. Ms. Sato also provides valuable opinions and advice based on 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. We expect that she will utilize her experience and expertise to improve the Company's corporate value and contribute to strengthening the supervisory function of the Board of Directors and appoint her as External Director (Independent). Although Ms. 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	Mr. Nitto has been contributing to the management of the Company based on his 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. In particular, we believe his knowledge and insight based on his experience leading return on invested capital (ROIC) management at the said company with multiple business portfolios will contribute to improving our profitability and capital efficiency. We expect that he will utilize his experience and expertise to improve the Company's corporate value and contribute to strengthening the supervisory function of the Board of Directors and appoint him as 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 him as an independent officer.

Name	Status of significant concurrent positions	Reasons for Election
Tetsuro Harada	Director, Audit & Supervisory Committee Member and Chairman of the Board of Dream Incubator Inc. External Director, Mandom Corporation	Mr. Harada has extensive experience as a consultant in providing strategic consulting, management development, and venture investment development for major corporations in various industries at a company established with the aim of "fostering new businesses and industries," and various knowledge based on such experience. We believe his knowledge and various insight he has derived through implementing structural reforms including a review of the governance system and business portfolio in a short period of time as a top-level management executive while contributing to improving management soundness and transparency, will contribute valuably to the formulation and execution of our management strategy. We expect that he will utilize them and contribute to strengthening the supervisory function of the Board of Directors and appoint him as 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.

External Audit and Supervisory Board Members (Independent)

Name	Status of significant concurrent positions	Reasons for Election
Mitsuhiro Hamamoto	Managing Partner of Hamamoto Law Office; Director (external) of TVE Co., Ltd.; Outside Auditor of Osaka-Hyogo Ready-Mixed Concrete Industrial Association; Outside Audit & Supervisory Board Member of Rengo Co., Ltd.	Mr. Hamamoto is conducting the audit of the Company utilizing his legal knowledge and great store of experience of business and commercial issues as an attorney at law. In order to continue to utilize such knowledge and 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.
Hitoshi Suzuki	Advisor of Mitsubishi UFJ Research and Consulting Co., Ltd.	After Mr. Suzuki fulfilled his duties at a major financial institution in overseas location and in the market sector, Mr. Suzuki has 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). We believe that he will contribute to the improvement of the Company's audit system through his knowledge and experience. 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 her as an independent officer. Until June 2014, Mr. 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 10 years since he has 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. 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. 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 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. Tanaka held a position at Deloitte Touche Tohmatsu LLC, our Accounting Auditor, but Ms. Tanaka has never engaged in audits of the Company during the said period and there is no concern with respect to her 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) 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.

(3) Status of Audit

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

Our Audit and Supervisory Board Members and audit system as of the date of this report are as follows.

a. Organization and Members

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 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. Mitsuhiro Hamamoto provides audit and advice based on his legal knowledge as a lawyer and experience in business law, which is his area of specialization. External Audit and Supervisory Board Member (Independent) Mr. Hitoshi Suzuki provides audit and advice based on extensive knowledge from his services in financial industry and experience as a member of the Policy Board of the Bank of Japan. Each member is expected to conduct audit and provide advice accordingly, and by responding to these expectations, to enhance the effectiveness of audit by the Audit and Supervisory Board Members. 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 80 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	18/18 (100%)
External Audit and Supervisory Board Member (Independent)	Hitoshi Suzuki	13/13 (100%)
External Audit and Supervisory Board Member (Independent)	Motoko Tanaka	13/13 (100%)

The Audit and Supervisory Board prepares an audit report, 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 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 quarterly review, 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 discussed 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 policies and fees)				◆	◆						◆	
Report on results of audit pursuant to Companies Act		◆										
Report on quarterly review					◆			◆			◆	
Report on results of audit pursuant to Financial Instruments and Exchange Act and Internal Control Audit			◆									
Other information exchanges				◆ *1 *4	◆ *1 *2	◆ *2	◆ *2 *4	◆ *3	◆ *2	◆ *2	◆ *1 *2	◆ *2

*1: Consideration regarding Key Audit Matters
*2: Procedures for prior approval for provision of non-assurance services by the Accounting Auditor
*3: Discussion on fraud risks
*4: Status of accounting 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 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 and the assets and properties, receive monthly reports on topics related to internal audit from Audit Office and share the information with External Audit and Supervisory Board Members, in accordance with the audit policies and the assignment of work responsibilities prescribed by the Audit and Supervisory Board. 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 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
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 improvement activities for improvement by the Secretarial Office for the Board of Directors.
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 Audit Office with respect to the matters discovered through J-SOX audit and thematic audit, and provided feedback on the contents of the reports to the Audit and Supervisory Board. • Audit and Supervisory Board Members monitored, through inspection or observation, the status to consider business processes at the central business units and the Company's initiatives, such as compliance training, and provided feedback on the details to the Audit and Supervisory Board.
Medium-term management plan revision process and subsequent activity status	• 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. Audit and Supervisory Board Members conducted interviews with the Corporate Officers of the Company and Wacoal Corp. and provided feedback on the details to the Audit and 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 meetings of the "Sustainability Committee" and the Audit and Supervisory Board Members attended the meetings of its Subcommittees to confirm that internal and external interests were being coordinated and that issues were being resolved in accordance with the relevant policies.

(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 and President, 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. 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, 33 sites for daily administrative operations, 3 divisions for purchasing activities as part of the operational audit, and 6 divisions for the compliance with the Subcontract Act.

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 (Audit Office) was 7 as of March 31, 2024.

Our Audit and Supervisory Board Members and internal audit department (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 internal audit department (Audit Office), it not only reports semi-annually to the Representative Director and President and Director 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 2024.

(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

56 years

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

Designated Limited Liability Partners and Managing Members: Koichiro Tsukuda, Tomomi Tsuji

d. Composition of the assistants for the audit services:

14 certified public accountants, 6 persons who passed the certified public accountant examination and 28 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, 2023		Fiscal Year Ended March 31, 2024	
	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	166	18	132	–
Consolidated subsidiaries	13	–	12	–
Total	179	18	144	–

For the fiscal years ended March 31, 2023, the Company paid fees for non-audit services to the certified public accounts as compensation for advisory services regarding the implementation of International Financial

Reporting Standards (IFRS), which are services other than those stipulated in Paragraph 1, Article 2 of the Certified Public Accountants Act.

b. Fees to the same network as the CPA (Deloitte) (excluding a.)

Category	Fiscal Year Ended March 31, 2023		Fiscal Year Ended March 31, 2024	
	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	–	32	–	6
Consolidated subsidiaries	137	45	156	63
Total	137	77	156	69

For both fiscal years ended March 31, 2023 and 2024, 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, 2023 and 2024, 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 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, on 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”). 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 agency.

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 based on achievement as a percentage of the consolidated operating income recorded for each fiscal year, plus other performance factors (consolidated net sales, consolidated income before income taxes), to increase the degree of linkage between bonuses and consolidated business performance. Performance-based bonus is paid once a year after approval at the general meeting of shareholders for the relevant fiscal year.

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 coefficient 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 designate 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. If an Eligible Director resigns from any position of Director, Audit and Supervisory Board Member, or Corporate Officer as designated by the Company, the Company shall naturally acquire the Allotted Shares free of charge, unless the Company's Board of Directors justifies the reason not to.

The above was confirmed by the Board of Directors of the Company based on the reports prepared by the Remuneration of Directors Advisory Committee and was resolved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2024.

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 amounts of the performance share unit were 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, higher the position is, lower the ratio of basic remuneration is.)

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))	125	91	–	33	33	3
Audit and Supervisory Board Members (excluding External Audit and Supervisory Board Members (Independent))	40	40	–	–	–	2
External Officers	64	64	–	–	–	11

(Notes) 1. The numbers of Directors, Audit and Supervisory Board Members and External Officers were 2, 2 and 8, respectively. The numbers of Directors and Audit and Supervisory Board Members in the table above include one (1) Director and three (3) External Officers who resigned upon the close of the 75th Ordinary General Meeting of Shareholders held on June 28, 2023.

2. Non-monetary remuneration, etc. to Directors (excluding External Directors (Independent)) comprises share-based compensation in the amount of 33 million yen.

(5) 【Information on Shareholdings】

(i) Standard and Concept for Categories of Investment Stocks

With respect to the category of the investment stocks that are held for the purpose of pure investment and that are held for the purposes other than pure investment, the Company does not hold any shares for the purpose of pure investment as part of asset management, but holds shares of other companies for purposes other than pure investment that are strategically important for our group, to maintain and enhance business transactions, to build, maintain and enhance cooperative and transactional relationships for business expansion, and to maintain steady financial transactions.

(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 meeting of Board of Directors regarding appropriateness of holding individual issues

The Company examines whether it is appropriate to hold shares from a medium-to long-term perspective, whether risks associated with such holding are worth the cost of capital, and profits in connection with the transaction and yield of dividends received are reported 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 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	25	1,369
Stocks other than unlisted stocks	23	46,094

(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	Increased through purchases made by 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	1	0
Stocks other than unlisted stocks	12	17,090

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 Company 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)		
SCREEN Holdings Co., Ltd. (Note 4)	434,358	217,179	We have close connection 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
	8,671	2,530		
Kyoto Financial Group, Inc. (Note 5)	2,279,988	569,997	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
	6,295	3,562		
Aeon Co., Ltd.	1,546,473	1,545,985	We engage in a transaction involving women's garments 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 participation in the stock ownership association.	Yes
	5,559	3,966		

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 Company Shares
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)
	4,493	2,446		
Tokio Marine Holdings, Inc.	822,000	822,000	We have various general insurances to minimize business risks 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)
	3,865	2,093		
Horiba, Ltd.	230,000	230,000	We have close connection 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
	3,686	1,819		
Saha Pathana Inter-Holding PLC	7,606,666	7,606,666	We have 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.	No
	2,238	2,044		
Chori Co., Ltd.	548,890	548,890	As the issuer is one of 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
	1,868	1,376		
Kyocera Corporation (Note 6)	891,800	445,900	We have 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
	1,803	3,071		
Shiga Bank, Ltd.	398,000	398,000	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
	1,669	1,066		

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 Company Shares
Takara Holdings Inc.	1,000,000 1,070	1,000,000 1,022	We have close connection 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
Heiwado Co., Ltd.	517,531 1,052	517,531 1,053	We engage in a transaction involving women's garments and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
Seven & i Holdings Co., Ltd. (Note 7)	464,907 1,025	154,969 925	We engage in a transaction involving women's garments and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
AEON Financial Service Co., Ltd.	687,300 965	687,300 848	Issuer is a group company of Aeon Co., Ltd. with whom we engage in a transaction of women's garments 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
I.C.C INTERNATIONAL PLC	2,677,300 517	2,677,300 363	We have 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.	Yes
Hisamitsu Pharmaceutical Co., Inc.	90,000 357	90,000 340	We continue to hold the issuer's shares to maintain and strengthen our good relationship as we have close connection in building cooperative and transactional relationship in business deployment.	Yes
Matsuya Co., Ltd.	205,000 232	205,000 226	We engage in a transaction of various products, mainly the women's garments and continue to hold issuer's shares to maintain and strengthen good relationship from the perspective of enhancing corporate value.	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 Company Shares
Kintetsu Department Store Co., Ltd.	74,700	100,000	We engage in a transaction of various products, mainly the women's garments and continue to hold issuer's shares to maintain and strengthen good relationship from the perspective of enhancing corporate value.	Yes
	177	244		
IZUMI Co., Ltd.	45,648	45,648	We engage in a transaction involving women's garments and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	160	143		
King Co., Ltd.	168,000	168,000	We have 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
	120	84		
FUJI CO., LTD.	62,600	62,600	We engage in a transaction involving women's garments and continue to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
	116	108		
Toray Industries, Inc.	100,000	100,000	As the issuer is one of 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
	74	75		
Sankyo Seiko Co., Ltd.	94,380	94,380	We have 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
	70	51		
KDDI Corporation	–	1,520,500	We engage in a transaction involving communications equipment and infrastructure with the issuer and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	6,223		

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 Company 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)		
Shimadzu Corporation	–	453,300	We have 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.	Yes
	–	1,876		
Kokuyo Co., Ltd.	–	754,700	We have close connection with the issuer as a major supplier of office furniture and stationery and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	1,417		
TOPPAN Holdings Inc.	–	426,000	We have close connection with the issuer in printing advertisements, mainly catalogues, and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	1,135		
Taisho Pharmaceutical Holdings Co., Ltd.	–	132,000	We continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value in a close and cooperative connection in business deployment.	Yes
	–	728		
Fukuyama Transporting Co., Ltd.	–	187,500	We have close connection in logistics transaction and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	Yes
	–	673		
Asahi Kasei Corporation	–	598,195	As the issuer is one of major suppliers of textile-related products, we continued to hold the issuer's shares to enhance corporate value and to maintain and strengthen our good relationship through a stable supply.	No
	–	554		
Marui Group Co., Ltd.	–	151,487	We engage in a transaction of various products, mainly the women's garments and continued to hold issuer's shares to maintain and strengthen good relationship from the perspective of enhancing corporate value.	No
	–	306		

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 Company Shares
Chuo Warehouse Co., Ltd.	–	190,700	We have close connection in logistics transaction and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	206		
Odakyu Electric Railway Co., Ltd.	–	58,200	We engage in a transaction of various products, mainly the women's garments with Odakyu Department Store Co., Ltd, which is the issuer's subsidiary, and continued to hold the issuer's shares to maintain and strengthen our good relationship from the perspective of enhancing corporate value.	No
	–	100		

(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.
4. SCREEN Holdings Co., Ltd. has conducted a two-for-one stock split of its common stock as of October 1, 2023.
5. Kyoto Financial Group, Inc. was established through sole share transfer of The Bank of Kyoto, Ltd. as of October 2, 2023 as the holding company (wholly-owning parent company) of The Bank of Kyoto, Ltd., and has conducted a four-for-one stock split of its common stock as of January 1, 2024.
6. Kyocera Corporation has conducted a four-for-one stock split of its common stock as of January 1, 2024.
7. Seven & i Holdings Co., Ltd. has conducted a three-for-one stock split of its common stock as of March 1, 2024.
8. Toppan Printing Co., Ltd. changed its company name to TOPPAN Holdings Inc. as of October 1, 2023.

Stocks deemed to be held:

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
KDDI Corporation	2,544,000 11,402	2,544,000 10,412	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 retirement benefit trust agreement under which we withhold our right to give directions on the exercise of voting rights.	No
Mitsubishi UFJ Financial Group, Inc.	3,385,000 5,239	3,365,000 2,853	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 retirement benefit trust agreement under which we withhold our right to give directions on the exercise of voting rights.	Yes (Note 3)

(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.

d. Equity securities held for pure investment
Not applicable.
e. Equity securities reclassified from held for pure investment to held for purposes other than pure investment during the current fiscal year
Not applicable.
f. Equity securities reclassified from held for purposes other than pure investment to held for pure investment during 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, whether risks associated with such holding are worth the cost of capital, and profits in connection with the transaction and yield of dividends received are reported 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 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	2	76
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	1	75	To promote measures to create new businesses
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.

d. Equity securities held for pure investment

Not applicable.

e. Equity securities reclassified from held for pure investment to be held for purposes other than pure investment during the current fiscal year

Not applicable.

f. Equity securities reclassified from held for purposes other than pure investment to held for pure investment during the current fiscal year

Not applicable.

V. 【Financial Information】

1. Preparation of consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”), pursuant to the provisions of Article 93 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) The non-consolidated financial statements of the Company have been prepared based on the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Order No. 59 of 1963, the “Regulation on Financial Statements”).

The Company falls under the category of special companies submitting financial statements and has prepared the non-consolidated financial statements pursuant to the provisions of Article 127 of the Regulation on 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 and non-consolidated financial statements for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024) 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

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. 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 appropriately, the Company keeps itself updated about the latest IFRS 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 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Assets			
Current assets:			
Cash and cash equivalents	7	26,781	33,547
Trade and other receivables	8,35	20,215	22,141
Other financial assets	9,35	1,804	1,996
Inventories	10	53,720	49,989
Other current assets	11,12	3,100	4,464
Total current assets		105,620	112,137
Non-current assets:			
Property, plant and equipment	13	46,702	45,478
Right-of-use assets	19	12,260	11,471
Goodwill	14	16,256	11,805
Intangible assets	14	13,043	11,890
Investment property	15	2,957	2,839
Investments accounted for using equity method	16	20,499	20,347
Other financial assets	9,35	50,195	54,451
Retirement benefit assets	22	13,978	18,795
Deferred tax assets	17	3,316	3,995
Other non-current assets	11	833	821
Total non-current assets		180,039	181,892
Total assets		285,659	294,029

(Millions of yen)

Accounts	Note	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Liabilities and Equity			
Liabilities			
Current liabilities:			
Borrowings	18,35	5,000	7,200
Lease liabilities	19,35	4,661	4,898
Trade and other payables	20,35	17,535	17,406
Other financial liabilities	21,35	1,172	995
Income taxes payable		1,683	4,074
Other current liabilities	24	13,791	14,566
Total current liabilities		43,842	49,139
Non-current liabilities			
Borrowings	18,35	3,084	1,946
Lease liabilities	19,35	7,670	6,598
Retirement benefit liability	22	2,470	2,947
Deferred tax liabilities	17	13,886	16,934
Other non-current liabilities	23,24	1,225	1,323
Total non-current liabilities		28,335	29,748
Total liabilities		72,177	78,887
Equity			
Common stock	25	13,260	13,260
Additional paid-in capital	25	29,029	20,550
Retained earnings	25	151,779	148,494
Other components of equity	25	32,023	46,784
Treasury stock, at cost	25	(15,894)	(17,259)
Total equity attributable to owners of parent		210,197	211,829
Noncontrolling interests		3,285	3,313
Total equity		213,482	215,142
Total liabilities and equity		285,659	294,029

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Revenue	27	188,592	187,208
Cost of sales		(82,189)	(83,123)
Selling, general and administrative expenses	28	(102,301)	(100,575)
Other income	29	5,254	1,990
Other expenses	29	(12,846)	(15,003)
Operating loss		(3,490)	(9,503)
Finance income	30	1,517	2,529
Finance costs	30	(795)	(328)
Share of profit of investments accounted for using equity method	16	2,223	839
Impairment losses of investments accounted for using equity method	16	(154)	(1,827)
Loss before tax		(699)	(8,290)
Income tax expense	17	(902)	(453)
Loss		(1,601)	(8,743)
Loss attributable to:			
Owners of parent		(1,643)	(8,632)
Noncontrolling interests		42	(111)
Loss		(1,601)	(8,743)
Earnings per share:	32		
Basic loss per share (Yen)		(27.44)	(151.62)
Diluted loss per share (Yen)		(27.44)	(151.62)

【Consolidated Statement of Comprehensive Income】

(Millions of yen)

Accounts	Note	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Loss		(1,601)	(8,743)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	31	1,826	14,584
Remeasurement of defined benefit plans	31	(251)	1,679
Share of other comprehensive income of investments accounted for using equity method	16,31	430	86
Total of items that will not be reclassified to profit or loss		2,005	16,349
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	31	3,555	8,417
Share of other comprehensive income of investments accounted for using equity method	16,31	309	769
Total of items that may be reclassified subsequently to profit or loss		3,864	9,186
Total other comprehensive income		5,869	25,535
Comprehensive income		4,268	16,792
Comprehensive income attributable to:			
Owners of parent		4,169	16,645
Noncontrolling interests		99	147
Comprehensive income		4,268	16,792

(iii) 【Consolidated statement of changes in equity】

Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(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, 2022		13,260	29,077	158,940	27,571	(10,858)	217,990	2,878	220,868
Cumulative impact of changes in accounting policies				228			228		228
Restated begging balance with changes in accounting policies		13,260	29,077	159,168	27,571	(10,858)	218,218	2,878	221,096
Loss				(1,643)			(1,643)	42	(1,601)
Other comprehensive income	31				5,812		5,812	57	5,869
Total comprehensive income		–	–	(1,643)	5,812	–	4,169	99	4,268
Repurchase of treasury stock	25					(8,035)	(8,035)		(8,035)
Cancellation of treasury stock	25			(2,863)		2,863	–		–
Share-based payment transactions	34		(48)			136	88		88
Dividends	26			(4,243)			(4,243)	(95)	(4,338)
Equity transactions with noncontrolling interests							–	403	403
Transfer from other components of equity to retained earnings	25			1,360	(1,360)		–		–
Total transactions with owners		–	(48)	(5,746)	(1,360)	(5,036)	(12,190)	308	(11,882)
Balance at March 31, 2023		13,260	29,029	151,779	32,023	(15,894)	210,197	3,285	213,482

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(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, 2023		13,260	29,029	151,779	32,023	(15,894)	210,197	3,285	213,482
Loss				(8,632)			(8,632)	(111)	(8,743)
Other comprehensive income	31				25,277		25,277	258	25,535
Total comprehensive income		–	–	(8,632)	25,277	–	16,645	147	16,792
Repurchase of treasury stock	25					(10,001)	(10,001)		(10,001)
Cancellation of treasury stock	25		(8,572)			8,572	–		–
Share-based payment transactions	34		(5)			64	59		59
Dividends	26			(5,169)			(5,169)	(99)	(5,268)
Changes in ownership interest in subsidiaries			98				98	(20)	78
Transfer from other components of equity to retained earnings	25			10,516	(10,516)		–		–
Total transactions with owners		–	(8,479)	5,347	(10,516)	(1,365)	(15,013)	(119)	(15,132)
Balance at March 31, 2024		13,260	20,550	148,494	46,784	(17,259)	211,829	3,313	215,142

(iv) 【Consolidated statement of cash flows】

(Millions of yen)

Accounts	Note	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Operating activities			
Loss		(1,601)	(8,743)
Depreciation and amortization		12,364	11,861
Impairment losses		10,136	6,860
Finance income		(1,517)	(2,529)
Finance costs		795	328
Share of profit of investments accounted for using equity method		(2,223)	(839)
Impairment losses of investments accounted for using equity method		154	1,827
Income tax expense		902	453
Gain on sale and disposal of property, plant and equipment-net		(2,650)	99
(Increase) decrease in trade and other receivables		1,053	(990)
Decrease (increase) in inventories		(6,692)	6,569
(Increase) decrease in other assets		185	(112)
(Decrease) increase in trade and other payables		480	(778)
Decrease in retirement benefit asset or liability		(1,714)	(4,542)
Decrease in other liabilities		(1,255)	(82)
Other		(1,018)	3,628
Subtotal		7,399	13,010
Interest received		115	308
Dividends received		1,932	2,002
Interest paid		(270)	(292)
Income taxes paid		(1,842)	(3,737)
Net cash provided by operating activities		7,334	11,291
Investing activities			
Proceeds from withdrawal of time deposits		289	747
Payments into time deposits		(178)	(1,099)
Purchase of property, plant and equipment		(2,879)	(1,815)
Proceeds from sale of property, plant and equipment		4,468	610
Purchase of intangible assets		(2,169)	(1,566)
Purchase of other financial assets		(135)	(230)
Proceeds from sale or amortization of other financial assets		4,372	17,173
Other		134	228
Net cash provided by investing activities		3,902	14,048
Financing activities			
Net increase (decrease) in short-term bank loans with original maturities of three months or less	33	(5,230)	678
Proceeds from long-term borrowings	33	1,355	–
Repayments of lease obligations	33	(5,981)	(5,690)
Payments for purchase of treasury stock		(8,035)	(10,001)
Proceeds from disposal of treasury stock		0	0
Dividends paid to owners of parent	26	(4,243)	(5,169)
Dividends paid to noncontrolling interests		(95)	(99)
Contingent consideration payment		(715)	–
Capital contribution from noncontrolling interests		403	–
Proceeds from sale of interests in subsidiaries to noncontrolling interests		–	78
Payments for acquisition of interests in subsidiaries from noncontrolling interests		–	(8)
Net cash used in financing activities		(22,541)	(20,211)

(Millions of yen)

Accounts	Note	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Effect of exchange rate changes on cash and cash equivalents		601	1,638
Net increase (decrease) in cash and cash equivalents		(10,704)	6,766
Cash and cash equivalents at beginning of period	7	37,485	26,781
Cash and cash equivalents at end of period	7	26,781	33,547

【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 detail information.

2. Basis of preparation of consolidated financial statements

(1) Matters on compliance with IFRS

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 as stipulated in Article 93 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.

(4) Changes in accounting policies

The Group started adopting IAS 12, "Income Taxes" (revised in May 2021) from the current fiscal year.

IFRS		Overview of new and revised standards
IAS 12	Income Taxes (revised in May 2021)	To clarify the accounting treatment of deferred taxes on leases and decommissioning obligations

The adoption of IAS 12 clarifies the accounting treatment of transactions that give rise to an equal amount of taxable and deductible temporary differences at the time of initial recognition such as leases and decommissioning obligations, and results in the recognition of deferred tax liabilities and deferred tax assets for those taxable and deductible temporary differences in the consolidated statement of financial position, respectively.

The consolidated financial statements for the previous consolidated fiscal year have been retrospectively adjusted as a result of the adoption of IAS 12. Due to such adjustments, deferred tax assets increased by 363 million yen, retained earnings increased by 361 million yen, and other components of equity increased by 2 million yen for the previous consolidated fiscal year in the consolidated statement of financial position. In addition, income tax expense decreased by 133 million yen and profit increased by the same amount for the previous consolidated fiscal year in the consolidated statement of profit or loss.

Reflecting the cumulative effects of the adoption of IAS 12, in the consolidated statement of equity, retained earnings' balance at April 1, 2022 for the previous consolidated fiscal year increased by 228 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 its 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 the 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 consolidated 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 does not have control or joint control of those policies. If the Group directly or indirectly holds 20% or more and 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 income.

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 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 locations and conditions.

Inventories are stated at the lower of cost or market cost. The cost is determined on a first-in, first-out basis for raw materials and on an average cost basis for work in process and finished products. 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 losses.

Depreciation of each asset other than land and construction in progress 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, 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 losses. 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 has 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 a 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 interests 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 loss 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 losses 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 losses.

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 20 and 25 years (mainly 25 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 losses.

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 losses.

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 amount outstanding.

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 income are recognized in other comprehensive income. Dividends from such financial assets are recognized as part of investing income in profit or loss for the current fiscal year.

(iii) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash flows from the financial assets 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 derecognizes 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, no discount calculation is made, and expenses are recorded when employees provide 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 has 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 provides the relevant 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 from 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 incurred is highly possible, a reasonable estimated amount is recognized as an asset or liability.

The Group adopts the exceptions to the "International Tax Reform - Pillar 2 Model Rules (amendments of IAS 12)."

(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 flows 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 carrying amount for the assets.

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

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

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

(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 dilutive potential 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 its 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 judgment 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Goodwill allocated to Wacoal Europe Ltd. Group	10,221	11,805
Goodwill allocated to Wacoal International Corp. Group	6,035	–

Impairment tests on goodwill are performed by comparing the carrying amount and the recoverable amount of the CGU group. If the carrying amount exceeds the recoverable amount, an impairment loss 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 the remaining useful life of an asset, future cash flows, discount rates, growth rates and other factors. These assumptions are determined based on management's best estimates and judgment. However, the assumptions may be affected by changes in business plans and economic conditions in the future, and if they need to be reviewed, this may have a significant impact on the amounts recognized in the consolidated financial statements from the next fiscal year and onwards.

See Note 14. 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 ended 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." 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 and other textile-related products
Wacoal Business (Overseas)	innerwear (consisting of foundation, lingerie and nightwear), outerwear, sportswear and other textile-related products
Peach John	innerwear (consisting of foundation, lingerie and nightwear), and 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segments				Other (Note 1)	Adjustments (Note 3)	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John	Total			
Revenue							
External customers (Note 2)	96,746	66,732	11,918	175,396	13,196	–	188,592
Intersegment	1,048	13,725	248	15,021	4,434	(19,455)	–
Total	97,794	80,457	12,166	190,417	17,630	(19,455)	188,592
Segment profit (loss) (Note 4)	2,862	(7,397)	915	(3,620)	130	–	(3,490)
Segment assets	244,666	92,133	11,983	348,782	15,317	(78,440)	285,659
Other items							
Depreciation and amortization	6,457	4,341	1,187	11,985	379	–	12,364
Impairment losses	103	10,033	–	10,136	–	–	10,136
Impairment losses of Investments accounted for using the equity method	154	–	–	154	–	–	154
Capital expenditures	3,258	1,412	331	5,001	47	–	5,048

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 3)	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John	Total			
Revenue							
External customers (Note 2)	94,198	67,757	10,741	172,696	14,512	–	187,208
Intersegment	581	12,204	192	12,977	4,258	(17,235)	–
Total	94,779	79,961	10,933	185,673	18,770	(17,235)	187,208
Segment profit (loss) (Note 4)	(4,193)	(5,145)	(239)	(9,577)	74	–	(9,503)
Segment assets	247,480	95,266	12,361	355,107	11,045	(72,123)	294,029
Other items							
Depreciation and amortization	6,547	3,855	1,152	11,554	307	–	11,861
Impairment losses	215	6,600	3	6,818	42	–	6,860
Impairment losses of Investments accounted for using the equity method	1,827	–	–	1,827	–	–	1,827
Capital expenditures	1,999	1,020	345	3,364	17	–	3,381

(Notes)
1. The “Other” category consists of business segments not included in the reportable segments and mainly include Lecien business and Nanasai business. The main revenue consists of innerwear (foundation, lingerie), other textile-related products, construction of stores and interior design, and mannequins.
2. Net sales to external customers consist 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 loss presented in the consolidated statement of profit or loss.
   Refer to the consolidated statement of profit or loss for the reconciliation of operating loss to loss 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Innerwear:		
Foundation and lingerie	151,715	148,365
Nightwear	6,833	6,963
Children’s underwear	931	818
Subtotal	159,479	156,146
Outerwear/sportswear and others	12,815	13,827
Hosiery	1,366	1,316
Other textile goods and related products	6,530	5,835
Others	8,402	10,084
Total	188,592	187,208

(4) Information on geographical areas

Sales to customers and non-current assets by region are following:

Sales to external customers

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Japan	120,712	118,367
Asia and Oceania	22,316	21,877
Americas and Europe	45,564	46,964
Total	188,592	187,208

(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 33,046 million yen and 33,038 million yen, respectively.

Non-current assets

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Japan	56,425	52,780
Asia and Oceania	5,501	5,609
Americas and Europe	30,125	25,915
Total	92,051	84,304

(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 the United States in fiscal years ended March 31, 2023 and 2024 were 12,059 million yen and 5,658 million yen, respectively and non-current assets in United Kingdom fiscal years ended March 31, 2023 and 2024 were 14,757 million yen and 16,645 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. Cash and cash equivalents

Cash and cash equivalents are composed of the following:

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Cash and deposits	26,774	33,022
Short-term investments	7	525
Total	26,781	33,547

The balance on the consolidated statement of financial position is equal to the balance on the consolidated statement of cash flows.

8. Trade and other receivables

Trade and other receivables are composed of the following:

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Trade notes receivables	955	897
Accounts receivable-trade	18,458	20,325
Accounts receivable-other	1,009	1,173
Allowance for doubtful accounts	(207)	(254)
Total	20,215	22,141

Trade and other receivables are classified as financial assets measured at amortized cost.

9. Other financial assets

(1) Breakdown of other financial assets

Other financial assets are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Financial assets measured at amortized cost:		
Time deposits	1,247	1,654
Debt securities	96	152
Security deposits	4,025	3,936
Others	762	582
Financial assets measured at fair value through profit or loss		
Mutual funds	175	236
Equity securities	1,616	1,963
Derivatives	7	–
Financial assets measured at fair value through other comprehensive income		
Equity securities	44,040	47,893
Others	31	31
Total	51,999	56,447
Current assets	1,804	1,996
Non-current assets	50,195	54,451
Total	51,999	56,447

(2) Financial assets measured at fair value through other comprehensive income

Fair value of equity financial assets measured at fair value through other comprehensive income by issue is as follows.

(Millions of yen)

Issue	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
SCREEN Holdings Co., Ltd.	2,530	8,672
Kyoto Financial Group, Inc.	3,562	6,295
Aeon Co., Ltd.	3,967	5,560
Mitsubishi UFJ Financial Group, Inc.	2,447	4,493
Tokio Marine Holdings, Inc.	2,094	3,866

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 followings are 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)		Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	
Fair value	Accumulated gains (losses)	Fair value	Accumulated gains (losses)
4,131	2,640	17,173	13,351

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 1,472 million yen gain and 8,652 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)		Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	
Investments derecognized during the year	Investments held at end of the year	Investments derecognized during the year	Investments held at end of the year
61	1,104	311	862

10. Inventories

Inventories are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Finished products	45,711	42,447
Work in process	4,638	4,177
Raw materials	3,371	3,365
Total	53,720	49,989

Inventories recognized as expenses for the previous and current fiscal years amounted to 80,845 million yen and 81,384 million yen, respectively.

Write-downs of inventories recognized as expenses for the previous and current fiscal years were 2,231 million yen and 6,669 million yen, respectively.

11. Other assets

Other assets are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Other current assets		
Income taxes receivable	174	988
Return assets	708	646
Others	2,218	2,830
Total	3,100	4,464
Other non-current assets		
Capitalized supplies	119	88
Others	714	733
Total	833	821

12. Assets held for sale

There were no assets held for sales for the fiscal year ended March 2023.

The assets held for sales for the fiscal year ended March 2024 amounted 239 million yen.

This is the land held by Wacoal Corp., which used to be the premises of the former Ryuo Warehouse. There is no plan to use it for business in the future. We have decided to sell it to utilize our management resources. Therefore, it is classified as assets held for sale and included in other current assets.

The transfer date is planned to be October 2024.

13. Property, plant and equipment

(1) Change in property, plant and equipment

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment losses 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, 2022	76,416	11,090	9,496	17,755	1,267	116,024
Acquisition	575	427	314	–	1,693	3,009
Sales or disposal	(3,395)	(464)	(477)	(985)	–	(5,321)
Transfers between accounts	1,065	651	445	(239)	(2,542)	(619)
Foreign currency translation adjustments	670	418	311	92	15	1,506
Others	67	–	–	1	–	67
March 31, 2023	75,398	12,122	10,089	16,624	433	114,666
Acquisition	501	222	287	–	811	1,821
Sales or disposal	(1,856)	(419)	(947)	(310)	(3)	(3,535)
Transfers between accounts	280	286	288	(127)	(817)	(90)
Foreign currency translation adjustments	1,278	867	604	142	46	2,937
Others	–	6	(6)	–	–	–
March 31, 2024	75,601	13,084	10,315	16,329	470	115,799

Accumulated Depreciation and Accumulated Impairment Losses

(Millions of yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
April 1, 2022	(49,960)	(9,329)	(8,070)	(63)	–	(67,422)
Depreciation	(1,993)	(542)	(607)	–	–	(3,142)
Impairment losses	(76)	–	(11)	–	–	(87)
Sales or disposal	2,890	373	444	–	–	3,707
Foreign currency translation adjustments	(353)	(345)	(252)	–	–	(950)
Others	(69)	(1)	–	–	–	(70)
March 31, 2023	(49,561)	(9,844)	(8,496)	(63)	–	(67,964)
Depreciation	(1,911)	(582)	(657)	–	–	(3,150)
Impairment losses	(200)	(12)	(23)	–	–	(235)
Sales or disposal	1,599	394	881	–	–	2,874
Foreign currency translation adjustments	(694)	(672)	(482)	–	–	(1,848)
Others	–	–	2	–	–	2
March 31, 2024	(50,767)	(10,716)	(8,775)	(63)	–	(70,321)

(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, 2022	26,456	1,761	1,426	17,692	1,267	48,602
March 31, 2023	25,837	2,278	1,593	16,561	433	46,702
March 31, 2024	24,834	2,368	1,540	16,266	470	45,478

(2) Impairment losses

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 losses are included in other expenses in the consolidated statement of profit or loss. Major impairment losses recognized in the year ended March 31, 2023 were as follows.

The carrying amount of Wacoal Corp.'s buildings and structures, tools, furniture and fixtures and right-of-use assets under the Wacoal Business (Domestic) were fully written off, resulting in an impairment charge of 76 million yen, 11 million yen, and 16 million yen, respectively. 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 to be negative.

Major impairment losses recognized in the year ended March 31, 2024 were as follows.

The carrying amount of Wacoal Corp.'s buildings and structures, tools, furniture and fixtures and right-of-use assets under the Wacoal Business (Domestic) were fully written off, resulting in an impairment charge of 108 million yen, 21 million yen, and 23 million yen, respectively. 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 to be negative.

The carrying amount of the buildings and structures under the Wacoal Business (Overseas), 64 million yen, was written down to their fair values less costs of disposal, resulting in the recognition of an impairment charge of 64 million yen. The impairment was mainly caused by a downturn in sales.

The carrying amount of other buildings and structures (28 million yen), machinery and vehicles (12 million yen), and tools, furniture and fixture (2 million yen) were fully written off, resulting in an impairment loss of 42 million yen. The Company performed an impairment test for non-current assets for certain groups of assets held due to a decision to close a subsidiary and determined that the fair value less costs of disposal was lower than the carrying amount.

14. Goodwill and Intangible assets

(1) Change in goodwill and intangible assets

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment losses of goodwill and intangible asset are as follows.

Acquisition Costs

(Millions of yen)

	Goodwill	Intangible assets				
		Software	Brands	Trademarks	Others	Total
April 1, 2022	37,703	19,389	7,958	5,316	2,282	34,945
Acquisition	–	1,963	–	–	4	1,967
Sales or disposal	–	(1,920)	–	–	(20)	(1,940)
Foreign currency translation adjustments	1,592	169	309	–	91	569
Others	–	(17)	–	–	(67)	(84)
March 31, 2023	39,295	19,584	8,267	5,316	2,290	35,457
Acquisition	–	1,536	–	–	–	1,536
Sales or disposal	–	(1,747)	–	–	(39)	(1,786)
Foreign currency translation adjustments	4,009	393	1,252	–	150	1,795
Others	–	(21)	–	–	2	(19)
March 31, 2024	43,304	19,745	9,519	5,316	2,403	36,983

Accumulated Depreciation and Accumulated Impairment Losses

(Millions of yen)

	Goodwill	Intangible assets				
		Software	Brands	Trademarks	Others	Total
April 1, 2022	(14,758)	(10,326)	(3,339)	(4,827)	(787)	(19,279)
Amortization	–	(2,869)	(408)	–	(158)	(3,435)
Impairment losses	(8,281)	–	(901)	–	(326)	(1,227)
Sales or disposal	–	1,732	–	–	13	1,745
Foreign currency translation adjustments	–	(129)	(107)	–	(44)	(280)
Others	–	(2)	–	–	64	62
March 31, 2023	(23,039)	(11,594)	(4,755)	(4,827)	(1,238)	(22,414)
Amortization	–	(2,808)	(340)	–	(1)	(3,149)
Impairment losses	(6,536)	(66)	–	–	–	(66)
Sales or disposal	–	1,693	–	–	29	1,722
Foreign currency translation adjustments	(1,924)	(309)	(727)	–	(150)	(1,186)
Others	–	–	–	–	–	–
March 31, 2024	(31,499)	(13,084)	(5,822)	(4,827)	(1,360)	(25,093)

(Note) The amortization expense for intangible asset 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, 2022	22,945	9,063	4,619	489	1,495	15,666
March 31, 2023	16,256	7,990	3,512	489	1,052	13,043
March 31, 2024	11,805	6,661	3,697	489	1,043	11,890

The expenditures for the research and development activities expensed during the previous and current fiscal year were 598 million yen and 370 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, 2023 and 2024 were 1,532 million yen and 1,524 million yen, respectively. These mainly consist of the trademark of Peach John recognized when the Company purchased the Peach John. The Company considers that trademark right 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Wacoal Business (Overseas)	Wacoal Europe Ltd. Group	10,221	11,805
	Wacoal International Corp. Group	6,035	–
Total		16,256	11,805

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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Peach John	Peach John Co., Ltd. Group	489	489
Total		489	489

The 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 losses 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 14.2%, (18.8~19.6% 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%~3.0% in the previous fiscal year), and it was within a range of the industry or country.

The recoverable amount of the Wacoal Europe Ltd. Group was calculated by measuring value in use. If the pre-tax discount rate were to increase by approximately 1.1% (approximately 6.0% in the previous fiscal year) or the sales were to decrease by approximately 6.2% (approximately 4.1% in the previous fiscal year), the recoverable amount could be equal to the carrying amount.

The recoverable amount of the Wacoal International Corp. Group was calculated by measuring the fair value less costs of disposal and measured at Level 3 fair value. As a result of the impairment test as of the end of March 31, 2023, goodwill, brand, other assets and right-of-use assets were written down to their recoverable amount resulting in an impairment charge of 10,033 million yen (8,281 million yen, 901 million yen, 326 million yen, 525 million yen, respectively). The impairment was caused by the revision to the business plan made to reflect the changes in the external environment, including the stricter data privacy regulations on digital marketing and the recent slowdown in consumer spending. As a result of the impairment test as of the end of March 31, 2024, goodwill was written down to their recoverable amount resulting in an impairment losses of 6,536 million yen. This is due to the withdrawal from LIVELY business of Intimates Online, Inc. ("IO, Inc.") and the decision to liquidate the company.

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.

15. Investment Property

(1) Change in investment property

Increase / (decrease) in acquisition costs, accumulated depreciation and impairment losses of investment property are as follows.

Acquisition Costs

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Balance as of the beginning of the year	5,678	5,917
Sales or disposal	–	–
Transfers between accounts	239	(112)
Balance at the ending of the year	5,917	5,805

Accumulated Depreciation and Accumulated Impairment Losses

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Balance as of the beginning of the year	(2,953)	(2,960)
Depreciation	(7)	(6)
Sales or disposal	–	–
Balance at the ending of the year	(2,960)	(2,966)

Carrying amounts and fair value of the investment property are as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)		Current Consolidated Fiscal Year (March 31, 2024)	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment Property	2,957	7,779	2,839	8,301

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 35. Financial Instruments for detail information of fair value hierarchy.

(2) Incomes and expenses from investment property

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Rent income	215	213
Direct operating expenses	(51)	(39)

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.

16. 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Carrying amount	6,034	5,418

Equity share in comprehensive income of individually immaterial associates is as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Profit	870	263
Other comprehensive income	128	486
Comprehensive income	998	749

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 (Domestic). Such recoverable amount is measured at Level 1 fair value. As a result, an impairment loss of 154 million yen was recognized. In the current 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 loss of 1,316 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Carrying amount	14,465	14,929

Equity share in comprehensive income of individually immaterial joint ventures is as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Profit	1,353	576
Other comprehensive income	611	369
Comprehensive income	1,964	945

In the current 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 loss of 511 million yen was recognized.

No individually material associates or joint ventures exist in the Group.

17. 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	April 1, 2022	Amounts recognized through profit or loss	Amounts recognized through other comprehensive income	Others	March 31,2023
Deferred tax assets					
Accrued bonuses	568	93	–	–	661
Accrued payables	518	(42)	–	–	476
Inventory valuation	1,373	(14)	–	–	1,359
Refund liabilities	537	(102)	–	–	435
Accrued vacation	665	10	–	–	675
Retirement benefit liabilities	672	(273)	4	–	403
Excess depreciation and impairment charge	1,631	(39)	–	–	1,592
Tax loss carryforwards	553	268	–	–	821
Investments in subsidiaries	–	858	87	–	945
Lease liabilities	3,566	(261)	2	–	3,307
Other	1,285	20	–	–	1,305
Total	11,368	518	93	–	11,979
Deferred tax liabilities					
Undistributed earnings of associated companies	2,756	23	136	–	2,915
Other financial assets	9,089	(4)	605	(650)	9,040
Reserve for tax purpose reduction entry of non-current assets	2,389	(184)	–	–	2,205
Intangible assets	1,377	(340)	–	–	1,037
Retirement benefit assets	3,371	311	(99)	–	3,583
Right-of-use assets	3,556	(396)	–	–	3,160
Other	529	80	–	–	609
Total	23,067	(510)	642	(650)	22,549

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	April 1, 2023	Amounts recognized through profit or loss	Amounts recognized through other comprehensive income	Others	March 31, 2024
Deferred tax assets					
Accrued bonuses	661	3	–	–	664
Accrued payables	476	679	–	–	1,155
Inventory valuation	1,359	542	–	–	1,901
Refund liabilities	435	(38)	–	–	397
Accrued vacation	675	(54)	–	–	621
Retirement benefit liabilities	403	(41)	63	–	425
Excess depreciation and impairment charge	1,592	569	–	–	2,161
Tax loss carryforwards	821	732	–	–	1,553
Investments in subsidiaries	945	(829)	(87)	–	29
Lease liabilities	3,307	(259)	–	–	3,048
Other	1,305	140	–	–	1,445
Total	11,979	1,444	(24)	–	13,399
Deferred tax liabilities					
Undistributed earnings of associated companies	2,915	27	203	–	3,145
Other financial assets	9,040	86	6,532	(4,088)	11,570
Reserve for tax purpose reduction entry of non-current assets	2,205	–	–	–	2,205
Intangible assets	1,037	47	–	–	1,084
Retirement benefit assets	3,583	603	807	–	4,993
Right-of-use assets	3,160	(264)	–	–	2,896
Other	609	(164)	–	–	445
Total	22,549	335	7,542	(4,088)	26,338

(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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Deductible temporary differences	23,161	30,561
Unused tax losses	11,969	12,686
Total	35,130	43,247

Unused tax losses for which deferred tax assets are not recognized will expire as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
During the first year	408	512
During the second year	816	980
During the third year	1,171	894
During the fourth year	1,085	1,133
During the fifth year or beyond	8,489	9,167
Total	11,969	12,686

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, 2023 and 2024 were 16,483 million yen and 27,844 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 1,856 million yen and 1,906 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Current tax expenses	1,916	1,423
Deferred tax expenses	(1,014)	(970)
Total	902	453

The amount used 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 was 863 million yen and 0 yen for the previous and current fiscal years, respectively. These are included in deferred tax expenses.

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Effective statutory tax rate	30.6	30.6
Permanently nondeductible expenses	(10.6)	(0.9)
Changes in unrecognized deferred tax assets	52.4	(7.4)
Undistributed earnings of associated companies	(3.3)	(0.3)
Difference in statutory tax rates of foreign subsidiaries	(74.1)	(5.2)
Tax credit	17.4	0.9
Profit (loss) of investments accounted for using equity method	81.1	(4.1)
Impairment loss on goodwill	(248.8)	(16.6)
Others	26.3	(2.5)
Average effective tax rate	(129.0)	(5.5)

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, 2023 and 2024, were both 30.6 %. Subsidiaries located in foreign countries are subject to those local taxes.

In addition, the legislation on Pillar 2 released by the OECD was enacted in certain countries and regions where the Group operates business activities. In Japan, the corporate tax responding to the Global Minimum Tax was established through FY2023 Tax Reform, and the tax reform act including the provision related thereto (“Act Partially Amending the Income Tax Act, etc. (Act No. 3 of 2023)” was enacted on March 28, 2023. From the fiscal year beginning on and after April 1, 2024, a top-up tax is to be additionally charged to the parent company, etc. to the extent that the tax burden in countries and regions where subsidiaries, etc. of the parent company, etc. located in Japan are located reaches the minimum tax rate (15%). We expect that the impact of these legislations on the Company’s consolidated financial statements is insignificant.

18. Borrowings

Breakdown of Borrowings

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (as of March 31, 2024)	Average interest rates (%)	Maturity
Short-term borrowings	5,000	5,686	0.71	
Current portion of long-term loans payable	–	1,514	4.73	Year 2024
Long-term borrowings	3,084	1,946	1.63	Year 2025
Total	8,084	9,146	–	–
Current liabilities	5,000	7,200	–	–
Non-current liabilities	3,084	1,946	–	–
Total	8,084	9,146	–	–

(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.

19. 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 restriction 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Depreciation charges for the right-of-use assets		
Buildings and building improvements	5,798	5,395
Land	63	61
Others	164	239
Total	6,025	5,695
Interest expenses on lease liabilities	176	173
Expenses relating to short-term assets	162	187
Expenses relating to leases of low-value assets	23	23
Variable lease payments (Note)	1,134	970

(Note) Variable lease payments were not included in the lease liabilities calculation. Some of lease contracts includes 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Right-of-use assets		
Buildings and building improvements	11,195	10,292
Land	854	869
Others	211	310
Total	12,260	11,471

The total cash outflow related to leases were 6,138 million yen, and 7,028 million yen for the fiscal year ended March 31, 2023 and March 31, 2024, respectively.

See Note 【33. Cash flow Information】 for detail information of increase of the right-of-use assets.

See Note 【35. 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 mannequins, display furniture and 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 were as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Finance income on the net investment in the lease	1,893	2,009

Future lease income based on operating leases (before discount) were as follows.

Note that lease payments related to mannequins and display furniture, which were material to the Group's lease income, were not included in the below table because the contracts terms were extremely short.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Within 1 year	221	211
Between 1 and 2 years	156	161
Between 2 and 3 years	109	152
Between 3 and 4 years	100	152
Between 4 and 5 years	100	76
Beyond 5 years	1,000	925
Total	1,686	1,677

20. Trade and other payables

Trade and other payables are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Trade notes payable	774	3,167
Trade accounts payable	10,297	6,994
Other payables	6,464	7,245
Total	17,535	17,406

Trade and other payables are classified as financial liabilities measured at amortized cost.

21. Other financial liabilities

Other financial liabilities are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Financial liabilities measured at amortized cost:		
Deposits received	818	803
Others	336	170
Financial liabilities measured at fair value through profit or loss:		
Derivatives	18	22
Total	1,172	995
Current liabilities	1,172	995
Non-current liabilities	–	–
Total	1,172	995

22. 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.

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 investment 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Present value of defined benefit obligations	31,802	27,784
Fair value of plan assets	(43,748)	(45,979)
Effect of asset ceiling	438	2,347
Net defined benefit assets	(11,508)	(15,848)
Amount recognized in the consolidated statement of financial position:		
Retirement benefit liabilities	2,470	2,947
Retirement benefit assets	(13,978)	(18,795)
Net defined benefit assets recorded in the consolidated statement of financial position	(11,508)	(15,848)

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Beginning balance of present value of defined benefit obligations	35,115	31,802
Service costs	973	826
Interest costs	226	319
Remeasurement		
Actuarial gains and losses arising from changes in demographic assumptions	(43)	(94)
Actuarial gains and losses arising from changes in financial assumptions	(1,152)	(712)
Actuarial gains and losses arising from experience adjustments	1,384	920
Past service costs	(1,780)	25
Benefit payments	(3,002)	(5,368)
Exchange differences on translation of foreign operations	32	66
Other changes	49	–
Ending balance of present value of defined benefit obligations	31,802	27,784

The weighted average duration of defined benefit obligations as of March 31, 2023 and March 31, 2024 was 9.7 years and 9.8 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Beginning balance of fair value of plan assets	45,060	43,748
Interest income	315	497
Remeasurements		
Return on plan assets	141	4,432
Contributions by employers	563	486
Participants' contributions	57	49
Benefit payments	(2,401)	(3,281)
Exchange differences on translation of foreign operations	13	48
Other changes	–	–
Ending balance of fair value of plan assets	43,748	45,979

The Group plans to make contributions of 446 million yen in the next fiscal year ending March 31, 2025.

(iv) Breakdown of plan assets by class

The breakdown of plan assets by major class is as follows.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)			Current Consolidated Fiscal Year (March 31, 2024)		
	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	13,692	4,345	18,037	16,903	5,662	22,565
Japanese equity securities	13,692	–	13,692	16,903	–	16,903
Pooled funds (Japanese equity securities)	–	1,457	1,457	–	1,934	1,934
Pooled funds (Foreign equity securities)	–	2,888	2,888	–	3,728	3,728
Debt instruments	180	5,690	5,870	241	5,540	5,781
Foreign debt securities	180	–	180	241	–	241
Pooled funds (Japanese debt securities)	–	398	398	–	483	483
Pooled funds (Foreign debt securities)	–	5,292	5,292	–	5,057	5,057
General accounts of insurance companies	–	1,658	1,658	–	830	830
Hedge funds	–	3,383	3,383	–	2,841	2,841
Other short-term investments	–	14,800	14,800	–	13,962	13,962
Total	13,872	29,876	43,748	17,144	28,835	45,979

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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Beginning balance of effect of asset ceiling	131	438
Interest income	–	5
Remeasurements		
Changes of the effect of asset ceiling	299	1,904
Exchange differences on translation of foreign operations	8	(0)
Ending balance of effect of asset ceiling	438	2,347

(vi) Significant actuarial assumptions

Significant actuarial assumptions used are as follows.

(Unit:%)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Discount rate	1.1	1.4

(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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
If the discount rate increases by 0.5%	(1,207)	(1,023)
If the discount rate decreases by 0.5%	1,256	1,101

(2) Defined contribution plans

The amounts of required contributions for the defined contribution plans made for the fiscal years ended March 31, 2023 and March 31,2024 was 463 million yen and 505 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 year ended March 31, 2023 and March 31, 2024 were 58,897 million yen and 58,772 million yen, respectively.

23. Provisions

The breakdown of provisions and changes in them are as follows.

(Millions of yen)

	Asset retirement obligation
April 1, 2023	828
Additions	43
Interest expense during the discounting period	1
Decrease (intended use)	(64)
Exchange differences on translation of foreign operations	11
March 31, 2024	819

The breakdown of provisions in the consolidated statement of financial position is as follows:

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Current liabilities	–	–
Non-current liabilities	828	819
Total	828	819

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 of 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.

24. Other liabilities

Other liabilities are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Other current liabilities		
Accrued consumption taxes	969	1,592
Accrued payroll and bonuses	6,390	6,326
Accrued expenses	2,916	3,481
Refund liabilities	2,136	2,037
Contract liabilities	1,380	1,130
Total	13,791	14,566
Other non-current liabilities		
Other long-term employee benefits	203	198
Others	1,022	1,125
Total	1,225	1,323

25. 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Number of Shares Authorized		
Common stock	250,000,000	250,000,000
Total number of shares issued		
Balance at the beginning of the year	65,589,042	64,500,000
Changes during the period (Note 2)	(1,089,042)	(3,500,000)
Balance at the end of the year	64,500,000	61,000,000

(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, 2022	4,130,773	10,858
Changes during the period	2,356,412	5,036
March 31, 2023	6,487,185	15,894
Changes during the period	(555,516)	1,365
March 31, 2024	5,931,669	17,259

(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 a 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, 2022	5,730	21,127	–	714	27,571
Changes during the period	3,513	1,811	(251)	739	5,812
Transfer to retained earnings	–	(1,472)	251	(139)	(1,360)
March 31, 2023	9,243	21,466	–	1,314	32,023
Changes during the period	8,208	14,535	1,679	855	25,277
Transfer to retained earnings	–	(8,652)	(1,679)	(185)	(10,516)
March 31, 2024	17,451	27,349	–	1,984	46,784

26. Dividends

(1) Dividends paid are as follows.

Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 13, 2022 Board of Directors	Common stock	1,844	30.00	March 31, 2022	June 6, 2022
November 11, 2022 Board of Directors	Common stock	2,399	40.00	September 30, 2022	December 9, 2022

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 12, 2023 Board of Directors	Common stock	2,321	40.00	March 31, 2023	June 5, 2023
November 9, 2023 Board of Directors	Common stock	2,848	50.00	September 30, 2023	December 8, 2023

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

Resolution	Class of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
May 12, 2023 Board of Directors	Common stock	2,321	40.00	March 31, 2023	June 5, 2023

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

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

27. Revenue

(1) Breakdown of revenue

Breakdown of main product revenue and reportable segment are as follows.

Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segment			Other	Total
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John		
Innerwear:					
Foundation and lingerie	77,288	59,946	10,626	3,855	151,715
Nightwear	6,027	422	332	52	6,833
Children’s underwear	821	96	–	14	931
Subtotal	84,136	60,464	10,958	3,921	159,479
Outerwear/sportswear and others	7,322	3,795	46	1,652	12,815
Hosiery	1,333	–	–	33	1,366
Other textile goods and related products	2,569	2,423	914	624	6,530
Others	1,386	50	–	6,966	8,402
Total	96,746	66,732	11,918	13,196	188,592

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment			Other	Total
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John		
Innerwear:					
Foundation and lingerie	75,034	60,808	9,296	3,227	148,365
Nightwear	5,832	470	606	55	6,963
Children’s underwear	725	78	–	15	818
Subtotal	81,591	61,356	9,902	3,297	156,146
Outerwear/sportswear and others	7,456	4,383	33	1,955	13,827
Hosiery	1,281	–	–	35	1,316
Other textile goods and related products	2,428	1,956	806	645	5,835
Others	1,442	62	–	8,580	10,084
Total	94,198	67,757	10,741	14,512	187,208

The Group focuses on sales of innerwear (primarily, foundation garments, lingerie, and nightwear), outerwear, sportswear, and 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 receive cash payment shortly thereafter.

The Group's revenue is recognized for transactions, net of any trade discounts or rebates given. The Group generally provide 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 receivables and Accounts receivable-trade included in Trade and other receivables (see Note 8. Trade and other receivables). The amount of contract assets is not material.

(Millions of yen)

	Previous Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Contract liabilities	1,380	1,130

The revenue recognized in the reporting period that was included in the contract liabilities balance at the beginning of the period for the consolidated fiscal year ended March 31, 2023 and 2024 was 1,069 million yen and 1,188 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 consists 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 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.

28. Selling, general and administrative expenses

Selling, general and administrative expenses are composed of the following:

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Employee benefits	41,566	41,600
Depreciation and amortization	11,020	10,329
Transportation and storage costs	5,550	4,934
Advertising expenses	16,141	14,470
Lease amounts	2,107	2,316
Payment fees	16,120	16,572
Others	9,797	10,354
Total	102,301	100,575

29. Other income and expenses

Other income is composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Government grant	178	172
Gain on sale of property, plant and equipment	3,117	119
Rent receipt	310	306
Foreign exchange gains	307	158
Others	1,342	1,235
Total	5,254	1,990

Other expenses are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Loss on sale and disposal of property, plant and equipment	467	218
Impairment losses (Note 1)	10,136	6,860
Additional retirement benefits	688	–
Loss on withdrawal from business (Note 1)	–	1,259
Business structure reform cost (Note 2)	–	5,984
Other	1,555	682
Total	12,846	15,003

(Notes) 1. An impairment charge of 6,536 million and business structure reform cost of 1,259 million were recorded in relation to the withdrawal from LIVELY business of Intimates Online, Inc., a subsidiary of Wacoal International Corp., and the decision to liquidate the company.

2. Business structure reform cost includes the recording of some subsidiaries' disposal of inventories and cost for voluntary retirement.

30. Finance income and costs

Finance income are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Interest income:		
Financial assets measured at amortized cost	115	308
Dividend income:		
Financial assets measured at fair value through other comprehensive income	1,165	1,173
Financial assets measured at fair value through profit or loss	82	231
Gain (Loss) on change in fair value		
Financial assets measured at fair value through profit or loss	–	294
Foreign exchange gains	–	304
Others	155	219
Total	1,517	2,529

Finance costs are composed of the following.

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Interest expenses:		
Financial liabilities measured at amortized cost	104	137
Lease liabilities	176	168
Gain (Loss) on change in fair value		
Financial assets measured at fair value through profit or loss	422	–
Foreign exchange loss	20	–
Others	73	23
Total	795	328

31. 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(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	2,431	–	2,431	(605)	1,826
Remeasurement of defined benefit plans	(354)	–	(354)	103	(251)
Share of other comprehensive income of investments accounted for using equity method	430	–	430	–	430
Total of items that will not be reclassified to profit or loss	2,507	–	2,507	(502)	2,005
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	3,623	(21)	3,602	(47)	3,555
Share of other comprehensive income of investments accounted for using equity method	309	–	309	–	309
Total of items that may be reclassified subsequently to profit or loss	3,932	(21)	3,911	(47)	3,864
Total	6,439	(21)	6,418	(549)	5,869

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(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	21,116	–	21,116	(6,532)	14,584
Remeasurement of defined benefit plans	2,423	–	2,423	(744)	1,679
Share of other comprehensive income of investments accounted for using equity method	86	–	86	—	86
Total of items that will not be reclassified to profit or loss	23,625	–	23,625	(7,276)	16,349
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	8,989	(282)	8,707	(290)	8,417
Share of other comprehensive income of investments accounted for using equity method	769	–	769	–	769
Total of items that may be reclassified subsequently to profit or loss	9,758	(282)	9,476	(290)	9,186
Total	33,383	(282)	33,101	(7,566)	25,535

32. 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 has the same rights as a holder of common shares to net income attributable to Wacoal Holdings Corp.

(1) Basis of calculation for basic loss per share

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Loss attributable to owners of parent (Millions of yen)	(1,643)	(8,632)
Loss attributable to participating equity instruments (Millions of yen)	(1)	(5)
Loss used to calculate basic loss per share (Millions of yen)	(1,642)	(8,627)
Weighted-average number of common shares issued (Thousands of shares)	59,871	56,932
Weighted-average number of participating equity instruments (Thousands of shares)	43	34
Weighted-average number of common shares (Thousands of shares)	59,828	56,898
Basic loss per share (Yen)	(27.44)	(151.62)

(2) Basis of calculation for diluted loss per share

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Loss used to calculate basic loss per share(Millions of yen)	(1,642)	(8,627)
Adjustment to loss (Millions of yen)	–	–
Loss used to calculate diluted loss per share (Millions of yen)	(1,642)	(8,627)
Weighted-average number of common shares outstanding (Thousands of shares)	59,828	56,898
Increase in the number of common shares		
Stock acquisition rights (Thousands of shares)	–	–
Weighted-average number of shares of diluted common shares (Thousands of shares)	59,828	56,898
Diluted loss per share (Yen)	(27.44)	(151.62)

(Note) Potential ordinary shares were not dilutive in the current fiscal year because the exercise of stock acquisition rights would reduce loss per share.

33. Cash flow information

(1) Change in liabilities arising from financing activities

Change in liabilities arising from financing activities are as follows:

Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	April 1, 2022	Changes arising from cash flows	Non-cash changes		March 31, 2023
			Changes in foreign currency exchange rates	New lease contracts	
Short-term borrowings	10,227	(5,230)	3	–	5,000
Long-term borrowings	1,626	1,355	103	–	3,084
Lease liabilities	13,451	(5,981)	276	4,585	12,331
Total	25,304	(9,856)	382	4,585	20,415

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	April 1, 2023	Changes arising from cash flows	Non-cash changes		March 31, 2024
			Changes in foreign currency exchange rates	New lease contracts	
Short-term borrowings	5,000	678	8	–	5,686
Long-term borrowings	3,084	–	376	–	3,460
Lease liabilities	12,331	(5,690)	(33)	4,888	11,496
Total	20,415	(5,012)	351	4,888	20,642

(Note) Current portion of long-term loans payable is included.

(2) Non-cash Transaction

Non-cash transaction is composed of the following:

(Millions of yen)

	Previous Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Acquisition of right-of-use assets under lease transaction	4,585	4,888
Cancellation of treasury stock	2,863	8,572

34. 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)
1st / 2nd	28,500	September 1, 2008	September 1, 2028	1	2,274
3rd / 4th	24,500	September 1, 2009	September 1, 2029	1	2,168
5th / 6th	23,000	September 1, 2010	September 1, 2030	1	2,162
7th / 8th	34,500	September 1, 2011	September 1, 2031	1	1,756
9th / 10th	33,500	September 3, 2012	September 3, 2032	1	1,598
11th / 12th	38,500	September 2, 2013	September 2, 2033	1	1,836
13th / 14th	31,500	September 1, 2014	September 1, 2034	1	1,874
15th / 16th	24,500	September 1, 2015	September 1, 2035	1	2,838
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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)		Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	
	Number of Shares (Shares)	Weighted average exercise price (Yen)	Number of Shares (Shares)	Weighted average exercise price (Yen)
Outstanding at beginning of the year	261,900	1	241,300	1
Exercised	20,600	1	4,500	1
Forfeited	–	–	–	–
Expired	–	–	–	–
Outstanding at end of the year	241,300	1	236,800	1
Exercisable at end of the year	158,200	1	223,100	1

(Notes) 1. The weighted-average share price at exercise of stock options during the previous and current fiscal year was 2,360 yen and 3,621 yen respectively.

2. The weighted-average remaining life of the outstanding stock options for the end of previous year and current fiscal year was 7.5 years and 4.2 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 of 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Grant date	July 20, 2022	July 18, 2023
Number of shares granted during the year (Shares)	37,100	21,100
Weighted-average fair value per share (Yen)	2,169	2,828

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Restricted stock compensation	73	56

35. 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 Consolidated Fiscal Year (March 31, 2023)	Current Consolidated Fiscal Year (March 31, 2024)
Ratio of profit attributable to owners of parent to equity attributable to owners of parent (%)	(0.8)	(4.1)

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 such 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, 2022	282	164	446
Increase	96	–	96
Decrease (intended use)	–	–	–
Decrease (reversal)	(180)	(7)	(187)
Other changes	9	8	17
Balance at March 31, 2023	207	165	372
Increase	33	11	44
Decrease (intended use)	–	(1)	(1)
Decrease (reversal)	(13)	(10)	(23)
Other changes	27	15	42
Balance at March 31, 2024	254	180	434

Of the financial assets that are written off in the current consolidated 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 Consolidated Fiscal Year (March 31, 2023)	20,422	165	20,587
Current Consolidated Fiscal Year (March 31, 2024)	22,395	180	22,575

(4) Management of liquidity risk

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

The Group manages liquidity risk by 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 Consolidated Fiscal Year
(March 31, 2023)

(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	8,084	8,084	5,000	3,084	–
Trade and other payables	17,535	17,535	17,535	–	–
Lease liabilities	12,331	12,785	4,747	7,033	1,005
Other financial liabilities	1,154	1,154	1,154	–	–
Derivative financial liabilities					
Foreign exchange forward contracts	18	18	18	–	–
Total	39,122	39,576	28,454	10,117	1,005

Current Consolidated Fiscal Year (March 31, 2024)

(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	9,146	9,146	7,200	1,946	–
Trade and other payables	17,406	17,406	17,406	–	–
Lease liabilities	11,496	11,893	5,075	6,390	428
Other financial liabilities	973	973	973	–	–
Derivative financial liabilities					
Foreign exchange forward contracts	22	22	22	–	–
Total	39,043	39,440	30,676	8,336	428

(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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Profit before income taxes		
U.S. dollar	(53)	(58)

(ⅱ) Management of interest rate risk

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

(ⅲ) Management of market price fluctuation risk

The Group held marketable equity securities of 43,223 million and 47,003 million for the previous consolidated fiscal year and the current consolidated 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 of equity securities are designated as financial assets measured at fair value through other comprehensive income, and there is no effect on profit or loss from changes in the share price.

(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 method 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 Consolidated Fiscal Year (March 31, 2023)		Current Consolidated Fiscal Year (March 31, 2024)	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets measured at amortized cost:				
Corporate bonds	96	95	152	152
Total	96	95	152	152
Financial liabilities				
Financial liabilities measured at amortized cost:				
Long-term borrowings (including current portions)	3,084	2,986	3,460	3,383
Total	3,084	2,986	3,460	3,383

(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 Consolidated Fiscal Year

(March 31, 2023)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss:				
Derivatives	–	7	–	7
Equity securities	–	–	1,616	1,616
Mutual funds	175	–	–	175
Financial assets measured at fair value through other comprehensive income:				
Equity securities	43,223	–	817	44,040
Others	–	–	31	31
Total	43,398	7	2,464	45,869
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives	–	18	–	18
Total	–	18	–	18

Current Consolidated Fiscal Year (March 31, 2024)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through profit or loss:				
Equity securities	–	–	1,963	1,963
Mutual funds	236	–	–	236
Financial assets measured at fair value through other comprehensive income:				
Equity securities	47,003	–	890	47,893
Others	–	–	31	31
Total	47,239	–	2,884	50,123
Financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives	–	22	–	22
Total	–	22	–	22

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 consolidated fiscal year and current consolidated 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Equity securities	Others	Contingent consideration
Balance as of the beginning of the year	2,793	182	1,493
Gains or losses			
Profit or loss *1	(416)	–	(938)
Other comprehensive income *2	56	–	–
Purchases	–	4	–
Sales and settlements	0	(155)	(715)
Others	–	–	160
Balance at the end of the year	2,433	31	–
Unrealized gain (loss) on assets and liabilities held at the end of period included in net income or loss*1	(14)	–	–

Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity securities	Other
Balance as of the beginning of the year	2,433	31
Gains or losses		
Profit or loss *1	272	–
Other comprehensive income *2	73	–
Purchases	75	–
Sales and settlements	(0)	–
Balance at the end of the year	2,853	31
Unrealized gain (loss) on assets and liabilities held at the end of period included in net income or loss*1	272	–

(Notes) *1. Gains or losses are recognized as selling, general and administrative expenses, 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.

36. 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.

37. 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 Consolidated Fiscal Year (From April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)
Basic compensation and bonuses	201	135
Share-based payment	44	33
Total	245	168

38. Significant subsequent events

Transfer of Subsidiary Shares

At a meeting of the Board of Directors held on April 30, 2024, the Company resolved to transfer a portion of the shares of the Company's consolidated subsidiary, Nanasai Co., Ltd. (hereinafter referred to as "Nanasai") and entered into a share transfer agreement effective as of May 13, 2024. As a result of the share transfer transaction, Nanasai will be excluded from the scope of consolidation of the Company and the assets and liabilities held by Nanasai that is included in other of the operating segment will be classified as held for sale in the fiscal year ending March 31, 2025.

1. Reason for Share Transfer Transaction

The Company had been examining the productivity of each of the Group companies in Japan in the process of formulating the revised medium-term management plan which was disclosed in November 2023. Although Nanasai has mainly engaged in sales floor construction, sales of mannequins and fixtures, and so on, the synergy of business integration has been diminishing compared to before partly because one of our consolidated subsidiaries, Wacoal Corp., has been promoting a business strategy to increase the ratio of sales from in-store sales to online shopping.

The Company made a resolution about the share transfer transaction because it will be highly possible to provide a consistent service of furniture and fixture sales and to manage logistics effectively.

2. Outline of the Subsidiary to be Transferred

(1) Name	Nanasai Co., Ltd.
(2) Address of the head office	Wacoal Kyoto Building, 103 Shichijo Goshonouchi Minamimachi, Shimogyo-ku, Kyoto, Japan
(3) Name and title of the representative	Takeshi Segawa, CEO
(4) Business description	Planning, design, and construction work of commercial facilities and displays; manufacture and sale of mannequins, and sale of store fixtures
(5) Date of establishment	July 1946
(6) Share capital	90 million yen
(7) Total assets	4,193 million yen (as of March 31, 2024)
(8) Net sales	8,032 million yen (fiscal year ended March 31, 2024)

3. Outline of the Counterparty of the Share Transfer Transaction

(1) Name	SENKO Group Holdings Co., Ltd.
(2) Address of the head office	Shiomi SIF Building, 2-8-10 Shiomi, Koto-ku, Tokyo, Japan
(3) Name and title of the representative	Yasuhisa Fukuda, Representative Director
(4) Share capital	28.4 billion yen
(5) Date of establishment	July 1946

4. Transfer Date

July 1, 2024 (scheduled)

5. Number of Shares Transferred, Status of Shares Held before and after Transfer

(1) Number of shares held before transfer	5,448,200 shares (Number of voting rights: 5,448,200) (% of voting rights held: 99.96%)
(2) Number of shares transferred	4,630,865 shares (Number of voting rights: 4,630,865) (% of voting rights held: 84.97%)
(3) Number of shares held after transfer	817,335 shares (Number of voting rights: 817,335) (% of voting rights held: 14.99%)

(Note) The transfer price is not disclosed due to confidentiality obligations between the parties.

Purchase of treasury stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2024 regarding matters related to purchase of treasury stock pursuant to the provisions of Paragraph 1, Article 459 of the Companies Act.

1. Reason for purchase of treasury stock
   To enhance profits to the shareholders and improve capital efficiency
2. Matters relating to purchase
   (1) Type of shares to be purchased
       Common Stock of the Company
   (2) Total number of shares to be purchased
       7,300,000 shares (at maximum)
   (3) Aggregate purchase price
       25,000 million yen (at maximum)
   (4) Purchase period
       From June 3, 2024 through March 21, 2025

Cancellation of treasury stock

The Board of Directors adopted a resolution at a meeting held on May 15, 2024 regarding matters related to cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act, which was executed as follows.

(1) Type of shares cancelled
    Common Stock of the Company
(2) Number of shares cancelled
    5,500,000 shares
(3) Date of cancellation
    May 24, 2024
(4) Total number of shares issued after the cancellation
    55,500,000 shares

39. 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 25, 2024.

(2) 【Others】

Quarterly financial information for the year ended March 31, 2024

(Cumulative period)	First Quarter	Second Quarter	Third Quarter	Year ended March 31, 2024
Revenue (Millions of yen)	48,789	95,130	141,407	187,208
(Loss) profit before tax (Millions of yen)	4,004	(2,739)	(1,543)	(8,290)
(Loss) profit attributable to owners of parent (Millions of yen)	2,844	(4,404)	(3,903)	(8,632)
Basic (loss) earnings per share (yen)	49.03	(76.09)	(67.98)	(151.62)

(Fiscal period)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Basic (loss) earnings per share (yen)	49.03	(125.51)	8.87	(85.24)

VI. 【Stock-Related Administration for the 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	(i) Wacoal Essence Check (coupon for goods) shall be provided to the shareholders as follows (with the date of determination of the shareholders entitled thereto being the end of March and September): – To shareholders holding 500 shares or more, but less than 1,500 shares: Wacoal Essence Check worth JPY3,000 shall be provided twice a year. – To shareholders holding 1,500 shares or more: Wacoal Essence Check worth JPY5,000 shall be provided twice a year. To shareholders holding shares for three years or more: Wacoal Essence Check worth JPY1,000 shall be added to above. (ii) 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% discount 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 1,000,000 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 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 (75th Fiscal Year)	From April 1, 2022 to March 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on June 28, 2023
(2)	Internal Control Report and the attachments thereto			Filed with the Director of the Kanto Local Finance Bureau on June 28, 2023
(3)	Quarterly Report and Confirmation Letter	(First quarter of 76th Fiscal Year)	From April 1, 2023 to June 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on August 14, 2023
		(Second quarter of 76th Fiscal Year)	From July 1, 2023 to September 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on November 14, 2023
		(Third quarter of 76th Fiscal Year)	From October 1, 2023 to December 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on February 14, 2024
(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 29, 2023
		Extraordinary Report on the Event Having Significant Impact on the Financial Position, Financial Performance, and Cash Flow Status of the Corporate Group pursuant to Item 19, 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 November 10, 2023
(5)	Share Repurchase Report	Reporting Period	From June 1, 2023 to June 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on July 7, 2023
		Reporting Period	From July 1, 2023 to July 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on August 7, 2023
		Reporting Period	From August 1, 2023 to August 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on September 7, 2023
		Reporting Period	From September 1, 2023 to September 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on October 11, 2023
		Reporting Period	From October 1, 2023 to October 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on November 7, 2023

Reporting Period	From November 1, 2023 to November 30, 2023	Filed with the Director of the Kanto Local Finance Bureau on December 7, 2023
Reporting Period	From December 1, 2023 to December 31, 2023	Filed with the Director of the Kanto Local Finance Bureau on January 10, 2024
Reporting Period	From January 1, 2024 to January 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on February 9, 2024
Reporting Period	From February 1, 2024 to February 29, 2024	Filed with the Director of the Kanto Local Finance Bureau on March 6, 2024
Reporting Period	From March 1, 2024 to March 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on April 5, 2024
Reporting Period	From May 1, 2024 to May 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on June 12, 2024

Part II 【Information on Guarantors etc. for the Company】

Not applicable.

NOTE TO READERS:
Following is an English translation of the Independent Auditors' 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 25, 2024

To the Board of Directors of
Wacoal Holdings Corp.:

Deloitte Touche Tohmatsu LLC
Kyoto office

Designated Engagement Partner,
Certified Public Accountant:

Koichiro Tsukuda

Designated Engagement Partner,
Certified Public Accountant:

Tomomi Tsuji

<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 consolidated subsidiaries (the "Group") included in the Financial Section, namely, the consolidated statement of financial position as of March 31, 2024, 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, 2023 to March 31, 2024, 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, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards pursuant to the provisions of Article 93 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, 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.

<table>
<tr><th>Key Audit Matter Description</th><th>How the Key Audit Matter Was Addressed in the Audit</th></tr>
<tr><td>Valuation of goodwill
As of March 31, 2024, the goodwill recorded on the consolidated statement of financial position was the goodwill allocated to WACOAL EUROPE LTD in the amount of ￥11,805 million, or 4.0% 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 calculates 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 calculate the recoverable amount in performing the impairment test. Future cash flows used to calculate 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.
In the United Kingdom and Europe, consumer spending continued to decline due to prolonged inflation. In the United States, where inflation is on a converging trend, consumer spending showed stable growth but some wholesale stores continued to show restraint on purchases.
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, enhancing sales activities in continental Europe and accelerating the transition to an EC focused business model. The significant assumptions also include market growth rates in the United Kingdom, Europe and United States 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 calculate 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.</td><td>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, sales activities in continental Europe 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 United States 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.</td></tr>
</table>

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, 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.

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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, 2024.

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, 2024, 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, 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.

- 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 performance 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, 2024, which were charged by us and our network firms to the Company and its subsidiaries are disclosed in "(3) Status of Audit" 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.

<u>Notes to the Readers of Independent Auditor's Report</u>

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 25, 2024
【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, Representative Director and Vice President Corporate Officer
【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, Representative Director and Vice President Corporate Officer, 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, 2024. 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 Company, as well as its consolidated subsidiaries and equity method associated companies, 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. 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. We did not include those consolidated subsidiaries and equity method associated companies which do not have any quantitatively or qualitatively material impact on the consolidated financial statements in the scope of the assessment of company-level controls.

Regarding the scope of assessment of internal control over business processes, we selected business units for testing as "significant business units," whose combined sales were at least two-thirds of total consolidated sales for the prior year on a consolidated basis.

At the selected significant business units, we included in the scope of our assessment those business processes leading to sales or accounts receivable and inventories as significant accounts that may have a material impact on our business objectives. Further, not only at selected significant business units, but also at other business units, we added to the scope assessment the following as business processes with greater materiality considering their impact on financial reporting: (1) those business processes relating to greater likelihood of material misstatements and significant accounts involving estimates and management's judgment, and (2) those business processes relating to businesses or operations dealing with high-risk transactions.

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, 2024.

4.【Supplementary Matters】

Not applicable.

5.【Special Information】

Not applicable.