



[Translation]

## Consolidated Business Results for the First Quarter of the Fiscal Year Ending March 31, 2024 [IFRS]

August 9, 2023

Listed Company: Wacoal Holdings Corp.

Stock Exchange: Tokyo

Code Number: 3591 (URL: <https://www.wacoalholdings.jp/>)

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Scheduled quarterly report submission date: August 14, 2023

Scheduled dividend payment start date: -

Supplementary materials regarding quarterly business results: Yes

Explanatory meeting regarding quarterly business results: Yes (for institutional investors, analysts and the press)

(Amounts less than 1 million yen have been rounded)

1. First Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 – June 30, 2023)

(1) Consolidated Business Results

(% indicates increase (decrease) from the corresponding period of the previous fiscal year)

	Revenue		Business Profit		Operating Profit		Profit Before Income Taxes		Profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First Quarter ended June 30, 2023	48,789	(0.5)	2,371	(0.3)	2,727	10.4	4,004	11.8	2,885	16.6
First Quarter ended June 30, 2022	49,027	15.5	2,378	21.2	2,469	0.5	3,580	23.4	2,474	-

	Net Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share	Diluted Earnings per Share
	Millions of Yen	%	Millions of Yen	%	Yen	Yen
First Quarter ended June 30, 2023	2,844	18.0	13,222	59.6	49.03	48.82
First Quarter ended June 30, 2022	2,411	-	8,286	-	39.28	39.12

(Note) 1. Business profit is calculated by subtracting cost of sales, and selling, general and administrative expenses from revenue.

2. Following the adoption of IAS 12 Income Taxes (as amended in May 2021), the figures for the first quarter ended June 30, 2022 represent the retrospectively adjusted figures. The percentage change in profit, net profit attributable to owners of parent and total comprehensive income compared to the corresponding period of the previous fiscal year is not shown.

## (2) Consolidated Financial Condition

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of June 30, 2023	296,731	224,369	220,907	74.4
As of the end of Fiscal Year (March 31, 2023)	285,659	213,482	210,197	73.6

(Note) Following the adoption of IAS 12 Income Taxes (as amended in May 2021), the figures for the fiscal year ended March 31, 2023 represent the retrospectively adjusted figures.

## 2. Status of Dividends

	Annual Dividend				
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2023	–	40.00	–	40.00	80.00
Fiscal Year Ending March 31, 2024	–				
Fiscal Year Ending March 31, 2024 (Estimates)		50.00	–	50.00	100.00

(Note) Revision of estimated dividends announced during the latest quarter: No

## 3. Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(% indicates increase (decrease) from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2022 with respect to “Six-month Period Ending September 30, 2023”)

	Revenue		Business Profit		Operating Profit		Profit Before Income Taxes		Net Profit Attributable to Owners of Parent		Basic Earnings per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Six-month Period Ending September 30, 2023	103,000	5.6	4,500	3.6	4,400	10.0	5,500	(6.5)	3,900	(7.5)	67.23
Annual	205,000	8.7	6,000	46.3	6,000	-	7,000	-	4,800	-	82.74

(Note) Revision of forecast of consolidated business results announced during the latest quarter: No

## Notes

- (1) Changes in significant subsidiaries in the consolidated cumulative first quarter of the current fiscal year (i.e. changes in specified subsidiaries (*tokutei kogaisha*) which involve change in scope of consolidation): None
- (2) Changes in accounting policies and/or accounting estimates:
- (i) Changes in accounting policies required by IFRS: Yes
  - (ii) Changes in accounting policies other than (i) above: None
  - (iii) Changes in accounting estimates: None
- (Note) For details, please see “2. Condensed Quarterly Consolidated Financial Statements and Accompanying Notes – (5) “Notes to Condensed Consolidated Financial Statements (Changes in Accounting Policies)” on page 16 of the attached materials.
- (3) Number of Issued Shares (Common Stock)

	First Quarter ended June 30, 2023	Fiscal Year ended March 31, 2023
(i) Number of issued shares (including treasury stock) as of the end of:	61,000,000 shares	64,500,000 shares
(ii) Number of shares held as treasury stock as of the end of:	2,989,790 shares	6,487,185 shares
(iii) Average number of shares during consolidated first quarter (first quarter ended June 30):	58,010,347 shares	61,372,313 shares

\*These quarterly financial statements are exempt from the review procedures.

### \*Cautionary Statement regarding Forecast of Business Results

(Cautionary note on forward-looking statements)

The forecast of business results is based on reasonable information we obtained as of the date hereof and, due to various risks, uncertainties and other factors arising in the future, actual results in the future may differ largely from the estimates set out in this document. For notes on conditions used for the forecast of business results and cautionary statements regarding forecast of business results, please see “1. Qualitative Information regarding Consolidated Performance during the First Quarter – (3) Qualitative Information regarding Forecast of Consolidated Business Results” on page 9 of the attached materials.

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# 1. Qualitative Information regarding Consolidated Performance during the First Quarter

## (1) Qualitative Information regarding Consolidated Business Results

### (i) Performance Overview of the Three Months ended June 30, 2023

(Millions of Yen)

	Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)	Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)	Increased/(Decreased) from previous consolidated cumulative first quarter	
	Amount	Amount	Amount	%
<b>Revenue</b>	<b>49,027</b>	<b>48,789</b>	<b>(238)</b>	<b>(0.5)</b>
Cost of sales	20,346	20,939	+593	+2.9
<b>Gross profit</b>	<b>28,681</b>	<b>27,850</b>	<b>(831)</b>	<b>(2.9)</b>
Selling, general and administrative expenses	26,303	25,479	(824)	(3.1)
<b>Business profit</b>	<b>2,378</b>	<b>2,371</b>	<b>(7)</b>	<b>(0.3)</b>
Other income	608	446	(162)	(26.6)
Other expenses	517	90	(427)	(82.6)
<b>Operating profit</b>	<b>2,469</b>	<b>2,727</b>	<b>+258</b>	<b>+10.4</b>
Finance income	986	1,020	+34	+3.4
Finance expense	77	79	+2	+2.6
Share of profit of investments accounted for using equity method	202	336	+134	+66.3
<b>Profit before income taxes</b>	<b>3,580</b>	<b>4,004</b>	<b>+424</b>	<b>+11.8</b>
<b>Net profit attributable to owners of parent</b>	<b>2,411</b>	<b>2,844</b>	<b>+433</b>	<b>+18.0</b>

Business environment surrounding our group during the current consolidated cumulative first quarter (April 1, 2023 – June 30, 2023) was challenging due to sluggish sales of our core brands resulting from selective spending by our customers against the backdrop of the rising inflation as well as a significant rise in raw material costs. In overseas, our business in Europe continued to show strong performance on the back of growing support from the customers for our core brands. On the other hand, sales from our business in China fell short of our expectations as the number of customers visiting our retail stores remained sluggish, despite an improvement from the corresponding period of the previous fiscal year, which was significantly impacted by the coronavirus pandemic (“COVID-19”). In the United States, although there were signs of a recovery in consumption along with a calming of inflation rate, our sales fell short of our expectations due to the impact of inventory adjustments by suppliers and sluggish sales of certain brands.

Under such circumstances, our group is moving forward with our initiatives to “rebuild brand and customer strategies” as well as to “accelerate cost structure reform” for our domestic business, and to “strengthen e-commerce business” as well as to “enhance product capabilities that meet the characteristics of each market” for our overseas business, in order to “improve profitability and capital efficiency”, which we have set as one of our priority issues for the current consolidated fiscal year. In addition, we plan to disclose our policies, goals and/or management indicators, specific initiatives and timeframe for implementation of the initiatives to improve the price-to-book ratio in around mid-November 2023.

As a result of the above, for the current consolidated cumulative first quarter, consolidated revenue was 48.79 billion yen (a decrease of 0.5% as compared to the corresponding period of the previous fiscal year), and the consolidated business profit was 2.37 billion yen (a decrease of 0.3% as compared to the corresponding period of the previous fiscal year). We recorded a consolidated operating profit of 2.73 billion yen (an increase of 10.4% as compared to the corresponding period of the previous fiscal year) primarily due to the reversal of one-time expenses recorded as other expenses during the corresponding period of the previous fiscal year in connection with the liquidation of a subsidiary. Consolidated profit before income taxes was 4.00 billion yen (an increase of 11.8% as compared to the corresponding period of the previous fiscal year) and consolidated net profit attributable to owners of parent was 2.84 billion yen (an increase of 18.0% as compared to the corresponding period of the previous fiscal year).

The key exchange rates used for the current consolidated cumulative first quarter (the corresponding period of the previous fiscal year) were: 137.37 yen (129.57 yen) to the U.S. dollar; 171.91 yen (162.96 yen) to the Sterling pound; and 19.56 yen (19.58 yen) to the Chinese yuan.

(ii) Business Overview of Our Reportable Segments

(Millions of Yen)

	Previous Cumulative First Quarter (from April 1, 2022 to June 30, 2022)		Current Cumulative First Quarter (from April 1, 2023 to June 30, 2023)		Increased/(Decreased) from previous cumulative first quarter	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Total Revenue	49,027	100.0	48,789	100.0	(238)	(0.5)
Wacoal Business (Domestic)	24,495	50.0	23,774	48.7	(721)	(2.9)
Wacoal Business (Overseas)	18,192	37.1	18,836	38.6	+644	+3.5
Peach John Business	2,952	6.0	2,770	5.7	(182)	(6.2)
Other	3,388	6.9	3,409	7.0	+21	+0.6

	Previous Cumulative First Quarter (from April 1, 2022 to June 30, 2022)		Current Cumulative First Quarter (from April 1, 2023 to June 30, 2023)		Increased/(Decreased) from previous cumulative first quarter	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating Profit /(Loss)	2,469	5.0	2,727	5.6	+258	+10.4
Wacoal Business (Domestic)	810	3.3	561	2.4	(249)	(30.7)
Wacoal Business (Overseas)	1,367	7.5	1,887	10.0	+520	+38.0
Peach John Business	384	13.0	134	4.8	(250)	(65.1)
Other	(92)	-	145	4.3	+237	-

a. Wacoal Business (Domestic)

Our sales performance during the current consolidated cumulative first quarter was mixed with different trends for each brand and sales channel. Amid the growing trend of selective spending by our customers in response to the impact of rising inflation, our high-priced brands “Yue” and “Salute” produced strong sales, while our core brands “Wacoal” and “Wing” struggled to increase the number of purchasing customers at their retail store channel despite active sales promotions aimed at strengthening sales of their core products. In addition, the reduction of sales promotion measures at some of our clients affected sales. On the other hand, our efforts to improve usability of our website and aggressive sales promotion activities contributed to an increase in revenue from our e-commerce sales, and sales from third-party e-commerce websites also grew due to successful efforts to strengthen cooperation with such e-commerce website operators.

As a result of the above, revenue attributable to our “Wacoal Business (Domestic)” segment was 23.77 billion yen (a decrease of 2.9% as compared to such revenue for the corresponding period of the previous fiscal year). Despite a decrease in labor costs associated with the implementation of the Flexible Retirement Program during the previous fiscal year, the positive impact from such decrease was not enough to offset the negative impact of lower revenue and a rise in raw material costs, and as a result, operating profit was 0.56 billion yen (a decrease of 30.7% as compared to such operating profit for the corresponding period of the previous fiscal year).

b. Wacoal Business (Overseas)

Sales from Wacoal Europe Ltd., on a local currency basis, maintained on par with the corresponding period of the previous fiscal year as a result of strong sales from our underwear products under “Elomi” and “Fantasie” brands and swimwear products against the backdrop of the growing body-positive trend, despite the negative impact of our clients’ restraint in procurement of the products from our business in North America.

Sales from Wacoal International Corp. (U.S.) fell below the level of the corresponding period of the previous fiscal year due to a significant decrease in revenue from Intimates Online, Inc. (“Intimates Online”). During the corresponding period of the previous fiscal year, Intimates Online posted increased loss resulting from the stagnant

sales promotion efficiency despite our aggressive promotional investments aimed at growth during the period. During the current consolidated cumulative first quarter, Intimates Online prioritized in improving profitability and curbed promotional investments, resulting in a decline in the number of customer visits and a decrease in revenue. Despite the continued impact of our client's restraint in procurement, sales from Wacoal America, Inc. landed at the same level as the corresponding period of the previous fiscal year as delivery of products progressed at certain department stores due to a recovery trend in consumer confidence along with a calming of inflation rate.

Sales from Wacoal China Co., Ltd. ("Wacoal China") increased due to the absence of the impact of the strict restrictions on activities related to COVID-19 imposed during the corresponding period of the previous fiscal year. The level of recovery, however, fell short of our expectations as the number of customers visiting our retail stores remained sluggish after the lifting of the restrictions on activities.

As a result of the above-described factors and the depreciation of the Japanese yen against major currencies, sales revenues attributable to our "Wacoal Business (Overseas)" segment on a Japanese yen basis were 18.84 billion yen (an increase of 3.5% as compared to such sales revenues for the corresponding period of the previous fiscal year). Operating income was 1.89 billion yen (an increase of 38.0% as compared to such operating income for the corresponding period of the previous fiscal year) due to the increased revenue and positive factors including a return to profit at Wacoal China and a reduction in loss at Intimates Online.

c. Peach John Business

While sales from our discounted products were strong, sales from our regular-priced products, for which we made efforts to strengthen sales through the implementation of content marketing, fell short of our expectations during the current consolidated cumulative first quarter. As a result, sales from both our e-commerce website and directly managed stores fell below such sales for the corresponding period of the previous fiscal year.

As a result of the above, revenue attributable to our "Peach John Business" segment were 2.77 billion yen (a decrease of 6.2% as compared to such revenue for the corresponding period of the previous fiscal year). Operating profit was 0.13 billion yen (a decrease of 65.1% as compared to such operating profit for the corresponding period of the previous fiscal year) due to an increase in expenses associated with updating the e-commerce system, in addition to the impact of decreased revenue.

d. Other

During the current consolidated cumulative first quarter, sales from Lecien Corporation ("Lecien") decreased due to the weak sales of its private brand products sold by major apparel supply chain companies. On the other hand, sales from Nanasai Co., Ltd. increased due to progress of large-scale projects and positive impact from new orders received. In addition, sales from Ai Co., Ltd. increased due to a recovery in travel-related demand and other factors.

As a result of the above, revenue and operating profit attributable to our "Other" business segment were 3.41 billion yen (an increase of 0.6% as compared to such revenue for the corresponding period of the previous fiscal year) and 0.15 billion yen (as compared to an operating loss of 0.09 billion yen for the corresponding period of the previous fiscal year), respectively. We were able to record profit due to a recovery in sales from Nanasai Co., Ltd. and Ai Co., Ltd., as well as the reversal of expenses recorded in the corresponding period of the previous fiscal year in connection with the liquidation of a subsidiary of Lecien.

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

(Millions of Yen)

Revenue	Previous Cumulative First Quarter (from April 1, 2022 to June 30, 2022)		Current Cumulative First Quarter (from April 1, 2023 to June 30, 2023)		Increased/(Decreased) from previous cumulative first quarter	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Wacoal Corp.	23,127	47.2	22,552	46.2	(575)	(2.5)
Wacoal International Corp. (U.S.)	8,154	16.6	7,857	16.1	(297)	(3.6)
Wacoal Europe Ltd.	5,234	10.7	5,551	11.4	+317	+6.1
Wacoal China Co., Ltd.	2,394	4.9	2,982	6.1	+588	+24.6
Peach John Co., Ltd.	2,952	6.0	2,770	5.7	(182)	(6.2)
Lecien Corporation	910	1.9	563	1.2	(347)	(38.1)
Nanasai Co., Ltd.	1,573	3.2	1,877	3.8	+304	+19.3

\*Revenue from external customers only

(Millions of Yen)

Operating Profit/(Loss)	Previous Cumulative First Quarter (from April 1, 2022 to June 30, 2022)		Current Cumulative First Quarter (from April 1, 2023 to June 30, 2023)		Increased/(Decreased) from previous cumulative first quarter	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Wacoal Corp.	1,027	4.4	799	3.5	(228)	(22.2)
Wacoal International Corp. (U.S.)	503	6.2	680	8.7	+177	+35.2
Wacoal Europe Ltd.	657	12.6	628	11.3	(29)	(4.4)
Wacoal China Co., Ltd.	(362)	-	15	0.5	+377	-
Peach John Co., Ltd.	384	13.0	134	4.8	(250)	(65.1)
Lecien Corporation	(183)	-	46	8.2	+229	-
Nanasai Co., Ltd.	9	0.6	29	1.5	+20	+222.2

## (2) Qualitative Information regarding Consolidated Financial Condition

## (i) Assets, Liabilities and Total Shareholders' Equity

Our total assets as of the end of the current consolidated first quarter were 296,731 million yen, an increase of 11,072 million yen from the end of the previous fiscal year, mainly due to an increase in inventories and an increase in goodwill resulting from the depreciation of the Japanese yen.

Our total liabilities were 72,362 million yen, an increase of 185 million yen from the end of the previous fiscal year, mainly due to increases in borrowings and deferred income taxes.

Equity attributable to owners of parent was 220,907 million yen, an increase of 10,710 million yen from the end of the previous fiscal year, mainly due to an increase in exchange differences on translation of foreign operations resulting from the depreciation of the Japanese yen.

As a result of the above, ratio of equity attributable to owners of parent as of the end of the current consolidated first quarter was 74.4%, an increase of 0.8% from the end of the previous fiscal year.

## (ii) Cash Flows

Cash and cash equivalents as of the end of the current consolidated first quarter were 23,757 million yen, a decrease of 3,024 million yen from the end of the previous fiscal year.



(Cash Flow Provided by Operating Activities)

Cash flow provided by operating activities was 970 million yen, a decrease of 1,867 million yen as compared to the corresponding period of the previous fiscal year, after adjustments for changes in assets and liabilities to our net profit of 2,885 million yen plus adjustments for depreciation and amortization, and income tax expense.

(Cash Flow Used in Investing Activities)

Cash flow used in investing activities was 1,756 million yen, an increase of 729 million yen as compared to the corresponding period of the previous fiscal year, due to payments into time deposits and purchase of property, plant and equipment and intangible assets.

(Cash Flow Used in Financing Activities)

Cash flow used in financing activities was 3,124 million yen, a decrease of 1,367 million yen as compared to the corresponding period of the previous fiscal year, due to repayments of lease obligations and payments made for dividends.

(3) Qualitative Information regarding Forecast of Consolidated Business Results

We have not revised our forecast of consolidated business results for the six-month period ending September 30, 2023 and the fiscal year ending March 31, 2024 since we announced such forecast on May 12, 2023.

## 2. Condensed Quarterly Consolidated Financial Statements and Accompanying Notes

### (1) Condensed Quarterly Statement of Financial Position

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2023	Current Consolidated First Quarter as of June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	26,781	23,757
Trade and other receivables	20,215	20,269
Other financial assets	1,804	2,881
Inventories	53,720	55,920
Other current assets	3,100	4,018
Total current assets	105,620	106,845
Non-current assets:		
Property, plant and equipment	46,702	47,163
Right-of-use assets	12,260	11,986
Goodwill	16,256	17,846
Intangible assets	13,043	13,022
Investment property	2,957	2,955
Investments accounted for using equity method	20,499	21,395
Other financial assets	50,195	56,073
Retirement benefit assets	13,978	15,494
Deferred income taxes	3,316	3,056
Other non-current assets	833	896
Total non-current assets	180,039	189,886
Total assets	285,659	296,731

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2023	Current Consolidated First Quarter as of June 30, 2023
Liabilities and Equity		
Liabilities		
Current liabilities:		
Borrowings	5,000	5,672
Lease liabilities	4,661	4,570
Trade and other payables	17,535	15,499
Other financial liabilities	1,172	1,243
Income taxes payable	1,683	358
Other current liabilities	13,791	14,441
Total current liabilities	43,842	41,783
Non-current liabilities		
Borrowings	3,084	3,325
Lease liabilities	7,670	7,494
Retirement benefit liability	2,470	2,266
Deferred income taxes	13,886	16,275
Other non-current liabilities	1,225	1,219
Total non-current liabilities	28,335	30,579
Total liabilities	72,177	72,362
Equity		
Common stock	13,260	13,260
Additional paid-in capital	29,029	29,041
Retained earnings	151,779	143,730
Other components of equity	32,023	42,199
Treasury stock, at cost	(15,894)	(7,323)
Total equity attributable to owners of parent	210,197	220,907
Noncontrolling interests	3,285	3,462
Total equity	213,482	224,369
Total liabilities and equity	285,659	296,731

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

(Millions of Yen)

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)		Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)	
		%		%
Revenue	49,027	100.0	48,789	100.0
Cost of sales	(20,346)	(41.5)	(20,939)	(42.9)
Selling, general and administrative expenses	(26,303)	(53.6)	(25,479)	(52.2)
Other income	608	1.2	446	0.9
Other expenses	(517)	(1.1)	(90)	(0.2)
Operating profit	2,469	5.0	2,727	5.6
Finance income	986	2.0	1,020	2.1
Finance costs	(77)	(0.1)	(79)	(0.2)
Share of profit of investments accounted for using equity method	202	0.4	336	0.7
Profit before tax	3,580	7.3	4,004	8.2
Income tax expense	(1,106)	(2.3)	(1,119)	(2.3)
Profit	2,474	5.0	2,885	5.9
Profit attributable to:				
Owners of parent	2,411	4.9	2,844	5.8
Noncontrolling interests	63	0.1	41	0.1
Profit	2,474	5.0	2,885	5.9
Earnings per share:				
Basic earnings per share (yen)	39.28		49.03	
Diluted earnings per share (yen)	39.12		48.82	

## (Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of Yen)

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)	Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)
Profit	2,474	2,885
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	58	4,083
Remeasurement of defined benefit plans	(45)	—
Share of other comprehensive income of investments accounted for using equity method	4	14
Total	17	4,097
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	5,360	5,662
Share of other comprehensive income of investments accounted for using equity method	435	578
Total	5,795	6,240
Total other comprehensive income	5,812	10,337
Comprehensive income	8,286	13,222
Comprehensive income attributable to:		
Owners of parent	8,136	13,020
Noncontrolling interests	150	202
Comprehensive income	8,286	13,222

## (3) Condensed Quarterly Consolidated Statement of Changes in Equity

## Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)

(Millions of Yen)

Item	Equity attributable to owners of parent						Noncontrolling interests	Total equity
	Share capital	Capital surplus	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 effects of changes in accounting policies			228			228		228
Balance at April 1, 2022 reflecting changes in accounting policies	13,260	29,077	159,168	27,571	(10,858)	218,218	2,878	221,096
Profit			2,411			2,411	63	2,474
Other comprehensive income				5,725		5,725	87	5,812
Total comprehensive income	—	—	2,411	5,725	—	8,136	150	8,286
Repurchase of treasury stock					(1,047)	(1,047)		(1,047)
Cancellation of treasury stock			(2,863)		2,863	—		—
Share-based payment transactions		17				17		17
Dividends			(1,844)			(1,844)	(95)	(1,939)
Transfer from other components of equity to retained earnings			(45)	45		—		—
Total transactions with owners	—	17	(4,752)	45	1,816	(2,874)	(95)	(2,969)
Balance at June 30, 2022	13,260	29,094	156,827	33,341	(9,042)	223,480	2,933	226,413

## Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)

(Millions of Yen)

Item	Equity attributable to owners of parent						Noncontrolling interests	Total equity
	Share capital	Capital surplus	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
Profit			2,844			2,844	41	2,885
Other comprehensive income				10,176		10,176	161	10,337
Total comprehensive income	—	—	2,844	10,176	—	13,020	202	13,222
Repurchase of treasury stock					(1)	(1)		(1)
Cancellation of treasury stock		(0)	(8,572)		8,572	—		—
Dividends			(2,321)			(2,321)	(99)	(2,420)
Changes in ownership interest in subsidiaries		12				12	74	86
Total transactions with owners	—	12	(10,893)	—	8,571	(2,310)	(25)	(2,335)
Balance at June 30, 2023	13,260	29,041	143,730	42,199	(7,323)	220,907	3,462	224,369

## (4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of Yen)

Accounts	Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)	Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)
Operating activities		
Profit	2,474	2,885
Depreciation and amortization	2,761	3,008
Finance income	(986)	(1,020)
Finance costs	77	79
Share of profit of investments accounted for using equity method	(202)	(336)
Income tax expense	1,106	1,119
Gain on sale of property, plant and equipment-net	4	37
Decrease (increase) in trade and other receivables	(472)	827
Increase in inventories	(698)	(358)
Increase in other assets	(302)	(368)
Decrease in trade and other payables	(1,707)	(2,581)
Decrease in retirement benefit asset or liability	(707)	(1,733)
(Decrease) increase in other liabilities	1,327	(53)
Other	(201)	(354)
Subtotal	2,474	1,152
Interest received	12	48
Dividends received	1,157	1,281
Interest paid	(55)	(72)
Income taxes paid received	(751)	(1,439)
Net cash provided by operating activities	2,837	970
Investing activities		
Proceeds from withdrawal of time deposits	71	24
Payments into time deposits	(32)	(804)
Purchase of property, plant and equipment	(541)	(612)
Proceeds from sale of property, plant and equipment	216	0
Purchase of intangible assets	(724)	(384)
Purchase of other financial assets	(1)	(1)
Proceeds from sale or amortization of other financial assets	-	37
Other	(16)	(16)
Net cash used in investing activities	(1,027)	(1,756)
Financing activities		
Net increase in short-term bank loans with original maturities of three months or less	648	658
Repayments of lease obligations	(1,469)	(1,439)
Payments for purchase of treasury stock	(1,047)	(1)
Dividends paid to owners of parent	(1,844)	(2,321)
Dividends paid to noncontrolling interests	(95)	(99)
Contingent consideration payment	(684)	-
Proceeds from sale of interests in subsidiaries to noncontrolling interests	-	78
Net cash used in financing activities	(4,491)	(3,124)
Effect of exchange rate changes on cash and cash equivalents	935	886
Net decrease in cash and cash equivalents	(1,746)	(3,024)
Cash and cash equivalents at beginning of period	37,485	26,781
Cash and cash equivalents at end of period	35,739	23,757

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern)

Not applicable.

(Changes in Accounting Policies)

Our group has adopted IAS 12 Income Taxes (as amended May 2021) effective from the current consolidated cumulative first quarter.

IFRS		Summary of Issuance and/or Amendments
IAS 12	Income Taxes (as amended 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 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 fiscal year in the condensed quarterly statement of financial position. In addition, income tax expense decreased by 7 million yen and profit increased by the same amount for the previous consolidated cumulative first quarter in the condensed quarterly consolidated statement of profit or loss.

Reflecting the cumulative effects of the adoption of IAS 12, in the condensed quarterly consolidated statement of changes in equity, retained earnings' balance at April 1, 2022 for the previous consolidated cumulative first quarter increased by 228 million yen.



(Segment Information)

(i) Reportable Segment Information

Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers	24,495	18,192	2,952	45,639	3,388	—	49,027
Intersegment	222	3,713	82	4,017	845	(4,862)	—
Total	24,717	21,905	3,034	49,656	4,233	(4,862)	49,027
Segment profit (loss) (Note) 2	810	1,367	384	2,561	(92)	—	2,469

Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers	23,774	18,836	2,770	45,380	3,409	—	48,789
Intersegment	206	3,614	50	3,870	1,220	(5,090)	—
Total	23,980	22,450	2,820	49,250	4,629	(5,090)	48,789
Segment profit (Note) 2	561	1,887	134	2,582	145	—	2,727

- (Note)
1. The “Other” category includes Lecien business, Nanasai business, and other business segments which are not included in the operating segment.
  2. The sum of the segment profit (loss) agrees to the operating profit on the condensed quarterly consolidated statement of profit or loss. For a reconciliation from operating profit to profit before income taxes and equity in net profit of affiliated companies, please see the condensed quarterly consolidated statement of profit or loss.
  3. The Company accounts for intersegment sales and transfers at cost plus an interest.

(ii) Segment Information by Region

Revenue – external customers

(Millions of Yen)

	Previous Consolidated Cumulative First Quarter (From April 1, 2022 to June 30, 2022)	Current Consolidated Cumulative First Quarter (From April 1, 2023 to June 30, 2023)
Japan	30,523	29,684
Asia and Oceania	5,546	6,076
Americas and Europe	12,958	13,029
Total	49,027	48,789

- (Note)
1. Countries or areas are classified according to locations of consolidated companies.
  2. Of “Americas and Europe” category, revenue in the United States for the previous consolidated cumulative first quarter and current consolidated cumulative first quarter were 9,508 million yen and 9,180 million yen, respectively.