

Consolidated Business Results for the Nine Months Ended December 31, 2024 [IFRS]

February 10, 2025

Stock Exchange: Tokyo

Listed Company: Wacoal Holdings Corp.

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

Representative: (Position) Representative Director, President and CEO

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Scheduled dividend payment start date: -

Supplementary materials regarding business results: Yes

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

(Amounts less than 1 million yen have been rounded)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated Cumulative Business Results

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

	Revenue	Business Profit	Operating Profit (Loss)	Profit (Loss) Before Taxes	Profit (Loss)
	Millions of Yen %	Millions of Yen %	Millions of Yen %	Millions of Yen %	Millions of Yen %
Nine-Months ended December 31, 2024	133,534 (5.6)	1,443 (70.9)	11,075 -	13,117 -	8,950 -
Nine-Months ended December 31, 2023	141,407 (1.7)	4,956 (0.4)	(1,981) -	(1,543) -	(3,950) -

	Profit (Loss) Attributable to Owners of Parent	Total Comprehensive Income	Basic Earnings (Loss) per Share	Diluted Earnings (Loss) per Share
	Millions of Yen %	Millions of Yen %	Yen	Yen
Nine-Months ended December 31, 2024	9,086 -	8,746 (3.6)	166.88	166.23
Nine-Months ended December 31, 2023	(3,903) -	9,075 723.5	(67.98)	(67.98)

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

(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 December 31, 2024	286,742	207,367	204,113	71.2
As of the end of Fiscal Year (March 31, 2024)	294,029	215,142	211,829	72.0

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, 2024	—	50.00	—	50.00	100.00
Fiscal Year Ending March 31, 2025	—	50.00	—		
Fiscal Year Ending March 31, 2025 (Estimates)				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, 2025 (April 1, 2024 – March 31, 2025)

(% indicates increase (decrease) from the previous fiscal year)

	Revenue	Business Profit (Loss)	Operating Profit	Profit Before Taxes	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
Annual	181,000 (3.3)	(2,500) -	4,800 -	6,900 -	4,500 -	82.65

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

*Notes

- (1) Significant changes in scope of consolidation in the current consolidated nine-month period: None
- (2) Changes in accounting policies and/or accounting estimates:
 - (i) Changes in accounting policies required by IFRS: None
 - (ii) Changes in accounting policies other than (i) above: None
 - (iii) Changes in accounting estimates: None
- (3) Number of Issued Shares (Common Stock)

	Nine-Month ended December 31, 2024	Fiscal Year ended March 31, 2024
(i) Number of issued shares (including treasury stock) as of the end of:	55,500,000 shares	61,000,000 shares
(ii) Number of shares held as treasury stock as of the end of:	2,731,269 shares	5,931,669 shares
(iii) Average number of shares during consolidated cumulative nine-month ended December 31:	54,446,326 shares	57,412,738 shares

*Attached quarterly consolidated financial statements are exempt from review conducted by certified public accountants or an audit firm.

*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. Overview of Business Results – (3) Qualitative Information regarding Forecast of Consolidated Business Results” on page [•] of the attached materials.

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1. Overview of Business Results

(1) Business Results Overview of the Nine-Month Period

(i) Performance Overview of the Nine-Month Period ended December 31, 2024

	(Millions of Yen)			
	Previous Consolidated Cumulative Nine-Month Period (From April 1, 2023 to December 31, 2023)	Current Consolidated Cumulative Nine-Month Period (From April 1, 2024 to December 31, 2024)	Increased/(Decreased) from Previous Consolidated Cumulative Nine-Month Period	
	Amount	Amount	Amount	%
Revenue	141,407	133,534	(7,873)	(5.6)
Cost of sales	61,846	58,114	(3,732)	(6.0)
Gross profit	79,561	75,420	(4,141)	(5.2)
Selling, general and administrative expenses	74,605	73,977	(628)	(0.8)
Business profit	4,956	1,443	(3,513)	(70.9)
Other income	1,269	10,806	+9,537	+751.5
Other expenses	8,206	1,174	(7,032)	(85.7)
Operating profit (loss)	(1,981)	11,075	+13,056	-
Finance income	1,850	1,775	(75)	(4.1)
Finance costs	237	394	+157	+66.2
Share of profit (loss) of investments accounted for using equity method	(1,175)	661	+1,836	-
Profit (loss) before taxes	(1,543)	13,117	+14,660	-
Profit (loss) attributable to owners of parent	(3,903)	9,086	+12,989	-

During the current consolidated cumulative nine-month period (April 1, 2024 – December 31, 2024), business conditions surrounding our group continued to be challenging due to the sluggish sales of women’s innerwear, our core product in major countries. Domestically, in addition to the closure of underperforming stores, the impact of the closure of certain stores at mass retailers and a decline in the number of customers visiting retail stores resulted in a weak performance. In the United States, growing concerns about the future of the economy grew stronger, and sales of our core mid- to high-priced products continued to be sluggish. In the United Kingdom, in addition to the high commodity prices, consumers became more cautious in their purchasing behavior due to concerns about the proposed tax increase announced by the new government, and sales at specialty stores, our main sales channel, were lackluster. In China, where the economy is stagnating, consumer sentiment did not recover, and we were unable to secure the sales we had anticipated.

Under such circumstances, our group has promoted the initiatives to “business model reforms to improve profitability,” “growth strategy to achieve VISION 2030,” “introduction of ROIC management” and “promotion of asset reduction” to achieve goals formulated under the revised medium-term management plan (the “Revised Plan”) which will end in the fiscal year ending March 31, 2026. During the current consolidated cumulative nine-month period, as part of our business model reform, we have been working to build a new supply chain that will enable us to flexibly provide products in response to changes in demand, and to consolidate production bases (*1). In addition, as part of our growth strategy, we have reorganized our domestic brand portfolio and decided on a policy for allocating management resources that takes into account market size and growth rate. Furthermore, with the aim of expanding our sales channels in Europe, we have acquired the U.K.-based Bravissimo Group Limited (the “Bravissimo Group”) in September 2024 (*2). Despite the challenging external environment, the Bravissimo Group has been able to maintain steady sales, centered on its e-commerce business. In addition, under our policy of becoming more asset-light, we sold the Asakusabashi Building in June and the site of the former Fukuoka Office in August (*3). Furthermore, in line with our financial policies under the Revised Plan, we also have purchased treasury stock of the Company in the amount of 11,009 million yen during the current consolidated cumulative nine-month period.

As a result of the above, for the current consolidated cumulative nine-month period, consolidated revenue was 133,534 million yen (a decrease of 5.6% as compared to the corresponding period of the previous fiscal year) and the consolidated business profit was 1,443 million yen (a decrease of 70.9% as compared to the corresponding period of the previous fiscal year). We recorded 11,075 million yen of consolidated operating income (as compared to 1,981

million yen of consolidated operating loss for the corresponding period of the previous fiscal year) as a result of the gain from sale of property, plant and equipment related to the Asakusabashi Building and the site of the former Fukuoka Office etc. (9,351 million yen). Consolidated profit before taxes was 13,117 million yen (as compared to 1,543 million yen of consolidated loss before taxes for the corresponding period of the previous fiscal year), and consolidated profit attributable to the owners of parent was 9,086 million yen (as compared to 3,903 million yen of consolidated loss attributable to the owners of parent for the corresponding period of the previous fiscal year).

The key exchange rates used for the current consolidated cumulative nine-month period (the corresponding period of the previous fiscal year) were: 152.57 yen (143.29 yen) to the U.S. dollar; 195.43 yen (179.52 yen) to the Sterling pound; and 21.15 yen (19.98 yen) to the Chinese yuan.

(*1) For details, please see our press release “Notification Regarding the Consolidation and Reorganization of Production Bases of a Consolidated Subsidiary (Domestic Manufacturing Subsidiary)” announced on August 26, 2024:

https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20240826_1en.pdf

(*2) For details, please see our press release “Announcement Regarding Acquisition Bravissimo Group Limited (a U.K. company) through our U.K. Subsidiary (i.e., change in subsidiaries following acquisition of shares)” announced on September 26, 2024:

https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20240926_1en.pdf

(*3) For details, please see our press release “Announcement Regarding Transfer of Fixed Assets” announced on August 26, 2024:

https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20240826_2en.pdf

(ii) Business Overview of Our Reportable Segments

(Millions of Yen)						
	Previous Consolidated Cumulative Nine-Month Period (from April 1, 2023 to December 31, 2023)		Current Consolidated Cumulative Nine-Month Period (from April 1, 2024 to December 31, 2024)		Increased/(Decreased) from Previous Consolidated Cumulative Nine-Month Period	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Total Revenue	141,407	100.0	133,534	100.0	(7,873)	(5.6)
Wacoal Business (Domestic)	72,561	51.3	68,764	51.5	(3,797)	(5.2)
Wacoal Business (Overseas)	50,308	35.6	50,001	37.4	(307)	(0.6)
Peach John	8,066	5.7	7,846	5.9	(220)	(2.7)
Other	10,472	7.4	6,923	5.2	(3,549)	(33.9)

	Previous Consolidated Cumulative Nine-Month Period (from April 1, 2023 to December 31, 2023)		Current Consolidated Cumulative Nine-Month Period (from April 1, 2024 to December 31, 2024)		Increased/(Decreased) from Previous Consolidated Cumulative Nine-Month Period	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating Profit/(Loss)	(1,981)	-	11,075	8.3	+13,056	-
Wacoal Business (Domestic)	3,082	4.2	9,231	13.4	+6,149	+199.5
Wacoal Business (Overseas)	(5,350)	-	1,535	3.1	+6,885	-
Peach John	(50)	-	23	0.3	+73	-
Other	337	3.2	286	4.1	(51)	(15.1)

a. Wacoal Business (Domestic)

During the current consolidated cumulative nine-month period, sales were sluggish due to a decline in the number of customers visiting retail stores, in addition to the closure of underperforming stores and delivery adjustments aimed at optimizing in-store inventory. On the other hand, sales from our e-commerce business remained strong as sales of our own e-commerce websites continued to increase due to proactive sales promotion

activities, and sales from third-party e-commerce websites remained strong due to our continued efforts to strengthen cooperation with the third-party e-commerce website operators.

As for trends by brands, while sales from “Wacoal” and “Wing”, our core brands offering mainly medium-priced products, remained weak, sales from brands such as “GOCOCi,” which mainly offers wireless bras, and “CW-X,” our performance wear brand, achieved growth.

In addition, despite the impact of rising cost due to increases in raw materials and labor expenses resulting from the continuing depreciation of the Japanese yen, the profit margin remained at the same level as planned as a result of factors such as the increased proportion of sales accounted for by our e-commerce business and revisions to retail prices.

As a result of the above, revenue attributable to our “Wacoal Business (Domestic)” segment was 68,764 million yen (a decrease of 5.2% as compared to such revenue for the corresponding period of the previous fiscal year). Operating profit was 9,231 million yen (an increase of 199.5% as compared to such operating profit for the corresponding period of the previous fiscal year), due to the gain on sale of property, plant and equipment related to the sale of the site of the Asakusabashi Building and the former Fukuoka Office etc.

b. Wacoal Business (Overseas)

Sales from Wacoal International Corp. (U.S.) fell below the level of the corresponding period of the previous fiscal year on a local currency basis due to the impact of the business withdrawal of Intimates Online, Inc. In terms of our retail stores, deliveries were stagnant due to the restraint on purchases by some of our wholesale customers, and while we launched our CRM system for our e-commerce websites, sales have yet to recover. On the other hand, sales from third-party e-commerce websites continued to remain strong driven by the major platforms.

Sales from Wacoal Europe Ltd. significantly increased from the level of the corresponding period of the previous fiscal year on a local currency basis, due to the contribution of sales from the Bravissimo Group which we acquired in September 2024. Although sales were weak in the United Kingdom and North America due to the impact of the restraint on purchases by some of our wholesale customers, sales from continental Europe, mainly Germany and France, continued to grow. On the other hand, operating profit fell below the level of the corresponding period of the previous fiscal year due to the one-time impact of the acquisition of the Bravissimo Group.

Wacoal China Co., Ltd. continued to struggle as sales at both our retail stores and e-commerce websites remained weak due to a lack of confidence in the economy, and sales from the large-scale sales campaign in November also fell below our expectations. Although we negotiated with our wholesale customers on commercial terms and withdrew from underperforming stores, the impact of a decrease in sales was significant and we were unable to improve profitability.

As a result of the above, revenue attributable to our “Wacoal Business (Overseas)” segment on a Japanese yen basis was 50,001 million yen (a decrease of 0.6% as compared to such revenue for the corresponding period of the previous fiscal year). Operating profit was 1,535 million yen (as compared to an operating loss of 5,350 million yen for the corresponding period of the previous fiscal year) mainly due to the poor performance in the United States and China as well as the one-time impact of the acquisition of the Bravissimo Group.

c. Peach John

Although sales from our directly managed stores and e-commerce website continued to struggle during the current consolidated cumulative nine-month period, a sign of recovery was seen in the most recent current consolidated three-month period. A number of customers visiting our directly managed stores and e-commerce website improved as a result of the expansion of the number of recipients of direct messages and the success of our advertising measures which we have been working on from the first half such as collaborative projects. However, we continue to face challenges in recovering the purchase rate. Sales from third-party e-commerce websites continued to remain strong as a result of the positive impact of the launch of new websites in addition to strong sales from existing websites.

As a result of the above, revenue attributable to our “Peach John” segment was 7,846 million yen (a decrease of 2.7% as compared to such revenue for the corresponding period of the previous fiscal year). Operating profit was 23 million yen (as compared to an operating loss of 50 million yen for the corresponding period of the previous fiscal year).

d. Other

Revenue attributable to our “Other” business segment for the current consolidated cumulative nine-month period was 6,923 million yen (a decrease of 33.9% as compared to such revenue for the corresponding period of the previous fiscal year) and operating profit was 286 million yen (a decrease of 15.1% as compared to such operating profit for the corresponding period of the previous fiscal year).

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

(Millions of Yen)

Revenue		Previous Consolidated Cumulative Nine-Month Period (from April 1, 2023 to December 31, 2023)		Current Consolidated Cumulative Nine-Month Period (from April 1, 2024 to December 31, 2024)		Increased/(Decreased) from Previous Consolidated Cumulative Nine-Month Period	
		Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
	Wacoal Corp.	68,519	48.5	64,550	48.3	(3,969)	(5.8)
	Wacoal International Corp. (U.S.)	21,302	15.1	19,561	14.6	(1,741)	(8.2)
	Wacoal Europe Ltd.	14,504	10.3	17,452	13.1	+2,948	+20.3
	Wacoal China Co., Ltd.	7,746	5.5	6,799	5.1	(947)	(12.2)
	Peach John Co., Ltd.	8,066	5.7	7,846	5.9	(220)	(2.7)
	Lecien Corporation	1,889	1.3	2,156	1.6	+267	+14.1

*Revenue from external customers only

(Millions of Yen)

Operating Profit/(Loss)		Previous Consolidated Cumulative Nine-Month Period (from April 1, 2023 to December 31, 2023)		Current Consolidated Cumulative Nine-Month Period (from April 1, 2024 to December 31, 2024)		Increased/(Decreased) from Previous Consolidated Cumulative Nine-Month Period	
		Amount	% to Sales	Amount	% to Sales	Amount	%
	Wacoal Corp.	2,768	4.0	10,327	16.0	+7,559	+273.1
	Wacoal International Corp. (U.S.)	(6,981)	-	900	4.6	+7,881	-
	Wacoal Europe Ltd.	957	6.6	261	1.5	(696)	(72.7)
	Wacoal China Co., Ltd.	(269)	-	(447)	-	(178)	-
	Peach John Co., Ltd.	(50)	-	23	0.3	+73	-
	Lecien Corporation	15	0.8	66	3.1	+51	+340.0

(2) Explanation Related to Financial Condition of the Current Quarter

(i) Assets, Liabilities and Total Shareholders' Equity

Our total assets as of the end of the current consolidated nine-month period were 286,742 million yen, a decrease of 7,287 million yen from the end of the previous fiscal year, mainly due to a decrease in other financial assets.

Our total liabilities were 79,375 million yen, an increase of 488 million yen from the end of the previous fiscal year, mainly due to an increase in borrowings, despite decreases in trade and other payables and income taxes payable.

Equity attributable to owners of parent was 204,113 million yen, a decrease of 7,716 million yen from the end of the previous fiscal year, mainly due to purchase of treasury stock.

As a result of the above, ratio of equity attributable to owners of parent as of the end of the current consolidated nine-month period was 71.2%, a decrease of 0.8 percent points from the end of the previous fiscal year.

(ii) Cash Flows

Cash and cash equivalents as of the end of the current consolidated nine-month period were 29,347 million yen, a decrease of 4,200 million yen from the end of the previous fiscal year.

(Cash Flow Provided by Operating Activities)

Cash flow provided by operating activities was 4,898 million yen, a decrease of 2,697 million yen as compared to the corresponding period of the previous fiscal year, after adjustments to our net profit of 8,950 million yen for changes in assets and liabilities, depreciation, amortization, income tax expense and other items.

(Cash Flow Provided by Investing Activities)

Cash flow provided by investing activities was 5,664 million yen, a decrease of 5,339 million yen as compared to the corresponding period of the previous fiscal year, mainly due to proceeds from sale of property, plant and equipment, despite purchase of a subsidiary.

(Cash Flow Used in Financing Activities)

Cash flow used in financial activities was 15,334 million yen, a decrease of 1,103 million yen as compared to the corresponding period of the previous fiscal year, mainly due to repurchase of treasury stock.

(3) Qualitative Information regarding Forecast of Consolidated Business Results

We have not revised our forecast of consolidated business results for the fiscal year ending March 31, 2025 since we announced such forecast on November 11, 2024.

2. Condensed Nine-Month Consolidated Financial Statements and Accompanying Notes

(1) Condensed Nine-Month Statement of Financial Position

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2024	Current Consolidated Nine-Month Period as of December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	33,547	29,347
Trade and other receivables	22,141	18,515
Other financial assets	1,996	2,799
Inventories	49,989	53,073
Other current assets	4,464	6,511
Total current assets	112,137	110,245
Non-current assets:		
Property, plant and equipment	45,478	43,859
Right-of-use assets	11,471	12,219
Goodwill	11,805	17,106
Intangible assets	11,890	10,594
Investment property	2,839	1,589
Investments accounted for using equity method	20,347	21,082
Other financial assets	54,451	46,095
Retirement benefit assets	18,795	18,949
Deferred income taxes	3,995	4,203
Other non-current assets	821	801
Total non-current assets	181,892	176,497
Total assets	294,029	286,742

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2024	Current Consolidated Nine-Month Period as of December 31, 2024
Liabilities and Equity		
Liabilities		
Current liabilities:		
Borrowings	7,200	12,213
Lease liabilities	4,898	4,428
Trade and other payables	17,406	14,549
Other financial liabilities	995	987
Income taxes payable	4,074	2,725
Other current liabilities	14,566	14,331
Total current liabilities	49,139	49,233
Non-current liabilities		
Borrowings	1,946	2,777
Lease liabilities	6,598	7,876
Retirement benefit liability	2,947	2,071
Deferred income taxes	16,934	16,177
Other non-current liabilities	1,323	1,241
Total non-current liabilities	29,748	30,142
Total liabilities	78,887	79,375
Equity		
Common stock	13,260	13,260
Additional paid-in capital	20,550	4,444
Retained earnings	148,494	153,930
Other components of equity	46,784	44,581
Treasury stock, at cost	(17,259)	(12,102)
Total equity attributable to owners of parent	211,829	204,113
Noncontrolling interests	3,313	3,254
Total equity	215,142	207,367
Total liabilities and equity	294,029	286,742

(2) Condensed Nine-Month Consolidated Statement of Profit or Loss and Condensed Nine-Month Consolidated Statement of Comprehensive Income

(Condensed Nine-Month Consolidated Statement of Profit or Loss)

(Millions of Yen)

Accounts	Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)		Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)	
		%		%
Revenue	141,407	100.0	133,534	100.0
Cost of sales	(61,846)	(43.7)	(58,114)	(43.5)
Selling, general and administrative expenses	(74,605)	(52.8)	(73,977)	(55.4)
Other income	1,269	0.9	10,806	8.1
Other expenses	(8,206)	(5.8)	(1,174)	(0.9)
Operating profit (loss)	(1,981)	(1.4)	11,075	8.3
Finance income	1,850	1.3	1,775	1.3
Finance costs	(237)	(0.2)	(394)	(0.3)
Share of profit of investments accounted for using equity method	641	0.5	661	0.5
Impairment charges of investments accounted for using equity method	(1,816)	(1.3)	—	—
Profit (loss) before tax	(1,543)	(1.1)	13,117	9.8
Income tax expense	(2,407)	(1.7)	(4,167)	(3.1)
Profit (loss)	(3,950)	(2.8)	8,950	6.7
Profit (loss) attributable to:				
Owners of parent	(3,903)	(2.8)	9,086	6.8
Noncontrolling interests	(47)	(0.0)	(136)	(0.1)
Profit (loss)	(3,950)	(2.8)	8,950	6.7
Profit (loss) per share:				
Basic earnings (loss) per share (yen)	(67.98)		166.88	
Diluted earnings (loss) per share (yen)	(67.98)		166.23	

(Condensed Nine-Month Consolidated Statement of Comprehensive Income)

(Millions of Yen)

Accounts	Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)	Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)
Profit (loss)	(3,950)	8,950
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	7,937	(3,412)
Share of other comprehensive income of investments accounted for using equity method	(140)	(69)
Total	7,797	(3,481)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	4,670	2,859
Share of other comprehensive income of investments accounted for using equity method	558	418
Total	5,228	3,277
Total other comprehensive income	13,025	(204)
Comprehensive income	9,075	8,746
Comprehensive income attributable to:		
Owners of parent	8,985	8,696
Noncontrolling interests	90	50
Comprehensive income	9,075	8,746

(3) Condensed Nine-Month Consolidated Statement of Changes in Equity

Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 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 (loss)			(3,903)			(3,903)	(47)	(3,950)
Other comprehensive income				12,888		12,888	137	13,025
Total comprehensive income	—	—	(3,903)	12,888	—	8,985	90	9,075
Repurchase of treasury stock					(7,614)	(7,614)		(7,614)
Cancellation of treasury stock		(8,572)			8,572	—		—
Share-based payment transactions		8			52	60		60
Dividends			(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			7,361	(7,361)		—		—
Total transactions with owners	—	(8,466)	2,192	(7,361)	1,010	(12,625)	(119)	(12,744)
Balance at December 31, 2023	13,260	20,563	150,068	37,550	(14,884)	206,557	3,256	209,813

Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)

(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, 2024	13,260	20,550	148,494	46,784	(17,259)	211,829	3,313	215,142
Profit (loss)			9,086			9,086	(136)	8,950
Other comprehensive income				(390)		(390)	186	(204)
Total comprehensive income	—	—	9,086	(390)	—	8,696	50	8,746
Repurchase of treasury stock					(11,009)	(11,009)		(11,009)
Cancellation of treasury stock		(16,011)			16,011	—		—
Share-based payment transactions		(95)			155	60		60
Dividends			(5,463)			(5,463)	(107)	(5,570)
Acquisition of subsidiaries							(2)	(2)
Transfer from other components of equity to retained earnings			1,813	(1,813)		—		—
Total transactions with owners	—	(16,106)	(3,650)	(1,813)	5,157	(16,412)	(109)	(16,521)
Balance at December 31, 2024	13,260	4,444	153,930	44,581	(12,102)	204,113	3,254	207,367

(4) Condensed Nine-Month Consolidated Statement of Cash Flows

(Millions of Yen)

Accounts	Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)	Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)
Operating activities		
Profit income (loss)	(3,950)	8,950
Depreciation and amortization	8,856	8,881
Impairment charges	6,496	428
Finance income	(1,850)	(1,775)
Finance costs	237	394
Share of profit of investments accounted for using equity method	(641)	(661)
Impairment charges of investments accounted for using equity method	1,816	—
Income tax expense	2,407	4,167
(Gain) loss on sale and disposal of property, plant and equipment-net	42	(9,182)
Decrease in trade and other receivables	1,360	3,501
Decrease in inventories	1,128	707
Increase in other assets	(1,030)	(862)
Decrease in trade and other payables	(3,925)	(3,206)
Decrease in retirement benefit asset or liability	(1,919)	(574)
(Decrease) increase in other liabilities	82	(1,805)
Other	(419)	(607)
Subtotal	8,690	8,356
Interest received	210	367
Dividends received	1,793	1,750
Interest paid	(217)	(391)
Income taxes paid	(2,881)	(5,184)
Net cash provided by operating activities	7,595	4,898
Investing activities		
Proceeds from withdrawal of time deposits	739	684
Payments into time deposits	(1,286)	(1,003)
Purchase of property, plant and equipment	(1,546)	(1,656)
Proceeds from sale of property, plant and equipment	625	11,190
Purchase of intangible assets	(1,249)	(865)
Purchase of other financial assets	(132)	(157)
Proceeds from sale or amortization of other financial assets	13,717	3,802
Payments for acquisition of subsidiaries	—	(7,270)
Proceeds from sale of subsidiaries	—	858
Other	135	81
Net cash provided by investing activities	11,003	5,664
Financing activities		
Net increase in short-term bank loans with original maturities of three months or less	675	130
Proceeds from long-term borrowings	—	6,870
Repayments of long-term borrowings	—	(1,526)
Repayments of lease obligations	(4,300)	(4,229)
Payments for purchase of treasury stock	(7,614)	(11,009)
Dividends paid to owners of parent	(5,169)	(5,463)
Dividends paid to noncontrolling interests	(99)	(107)
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	(16,437)	(15,334)
Effect of exchange rate changes on cash and cash	1,235	572

(Millions of Yen)

Accounts	Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)	Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)
equivalents		
Net (decrease) increase in cash and cash equivalents	3,396	(4,200)
Cash and cash equivalents at beginning of period	26,781	33,547
Cash and cash equivalents at end of period	30,177	29,347

(5) Notes to Condensed Nine-Month Consolidated Financial Statements

(Segment Information)

(i) Reportable Segment Information

Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John	Total			
Revenue							
External customers	72,561	50,308	8,066	130,935	10,472	—	141,407
Intersegment	486	9,689	151	10,326	3,364	(13,690)	—
Total	73,047	59,997	8,217	141,261	13,836	(13,690)	141,407
Segment profit (loss) (Note) 2	3,082	(5,350)	(50)	(2,318)	337	—	(1,981)

Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John	Total			
Revenue							
External customers	68,764	50,001	7,846	126,611	6,923	—	133,534
Intersegment	344	8,976	102	9,422	2,582	(12,004)	—
Total	69,108	58,977	7,948	136,033	9,505	(12,004)	133,534
Segment profit (Note) 2	9,231	1,535	23	10,789	286	—	11,075

- (Note) 1. The “Other” category includes Lecien 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 (loss) on the condensed Nine-Month consolidated statement of profit or loss. For a reconciliation from operating profit (loss) to profit (loss) before tax, please see the condensed Nine-Month 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

Breakdown of the revenue to external customers

(Millions of Yen)

	Previous Consolidated Nine-Month Period (From April 1, 2023 to December 31, 2023)	Current Consolidated Nine-Month Period (From April 1, 2024 to December 31, 2024)
Japan	90,306	82,696
Asia and Oceania	16,466	15,187
Americas and Europe	34,635	35,651
Total	141,407	133,534

- (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 nine-month period and current consolidated nine-month period were 24,570 million yen and 23,302 million yen, respectively.

(Notes on Going Concern)

Not applicable.