

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2025 [IFRS]

May 15, 2025

Listed Company: Wacoal Holdings Corp.

Stock Exchanges: Tokyo

Code Number: 3591 URL: <http://www.wacoalholdings.jp/>

Representative: (Position) Representative Director, President and CEO

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Scheduled date of Ordinary Shareholders' Meeting: June 25, 2025

Scheduled Commencement Date of Dividend Payment: June 6, 2025

Scheduled date of Annual Securities Report Filing: June 25, 2025

Supplementary materials regarding Annual Business Results: Yes

Explanatory meeting regarding Annual Business Results: Yes (for institutional investors and analysts)

(Amounts less than 1 million yen have been rounded.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Business Results

(% indicates changes from previous fiscal year)

	Revenue		Business (Loss) Profit		Operating Profit (Loss)		Profit (Loss) Before Income Taxes and Equity in Net Profit of Affiliated Companies		Profit (Loss)		Net Profit (Loss) Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year ended March 31, 2025	173,896	(7.1)	(3,397)	-	3,328	-	5,693	-	6,788	-	6,989	-
Fiscal Year ended March 31, 2024	187,208	(0.7)	3,510	(14.4)	(9,503)	-	(8,290)	-	(8,743)	-	(8,632)	-

	Total Comprehensive Income		Basic Earnings (Loss) per Share	Diluted Earnings (Loss) per Share	Return on Equity Attributable to Owners of Parent	Ratio of Income (Loss) Before Income Taxes and Equity in Net Profit of Affiliated Companies to Total Assets	Ratio of Operating Income (Loss) to Revenue
	Millions of Yen	%	Yen	Yen	%	%	%
Fiscal Year ended March 31, 2025	2,270	(86.5)	129.65	129.16	3.5	2.0	1.9
Fiscal Year ended March 31, 2024	16,792	293.4	(151.62)	(151.62)	(4.1)	(2.9)	(5.1)

(Reference) Share of profit of investments Fiscal Year ended March 31, 2025: 828 million yen

accounted for using equity method:

Fiscal Year ended March 31, 2024: 839 million yen

(Note) Business (loss) 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	Equity Attributable to Owners of Parent per Share
	Millions of Yen	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year ended March 31, 2025	272,183	194,892	191,819	70.5	3,713.17
Fiscal Year ended March 31, 2024	294,029	215,142	211,829	72.0	3,846.66

(3) Consolidated Cash Flows Status

	Cash Flows Provided by Operating Activities	Cash Flows Provided by Investing Activities	Cash Flows Used in Financing Activities	Balance of Cash and Cash Equivalents at End of Fiscal Year
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Fiscal Year Ended March 31, 2025	4,938	9,382	(22,925)	23,419
Fiscal Year Ended March 31, 2024	11,291	14,048	(20,211)	33,547

2. Status of Dividends

	Annual Dividends per Share					Total Amount of Dividends (Annual)	Payout Ratio (Consolidated)	Ratio of Dividends to Equity Attributable to Owners of Parent (Consolidated)
	End of First Quarter	End of Second Quarter	End of Third Quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
Fiscal Year Ended March 31, 2024	-	50.00	-	50.00	100.00	5,601	-	2.7
Fiscal Year Ended March 31, 2025	-	50.00	-	50.00	100.00	5,292	77.1	2.6
Fiscal Year Ending March 31, 2026 (Estimates)	-	50.00	-	50.00	100.00		34.7	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(% indicates changes from the previous fiscal year with respect to “Annual” and from the six-month period ended September 30, 2024 with respect to “Six-month Period Ending September 30, 2025”)

	Revenue		Business Profit		Operating Profit		Profit Before Income Taxes and Equity in Net Profit of Affiliated Companies		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	%	
Six-month Period Ending September 30, 2025	96,000	6.5	5,300	130.0	22,600	95.7	21,600	68.6	14,470	64.9	280.11
Annual	187,500	7.8	4,700	-	22,800	585.1	22,600	297.0	14,870	112.8	287.85

*Notes

- (1) Significant changes in scope of consolidation during the fiscal year ended March 31, 2025: None

New: None

Excluded: None

(Note) For details, please see “3. Consolidated Financial Statements and Accompanying Notes – (6) Basic Significant Matters in Preparation of Consolidated Financial Statements” on page 17.

- (2) Changes in accounting principles and /or accounting estimates:

(i) Changes in accounting principles required by IFRS: None

(ii) Changes in accounting principles other than (i) above: None

(iii) Changes in accounting estimates: None

- (3) Number of Issued Shares (Common Stock)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2024
(i) Number of issued shares (including treasury stock) as of period-end:	55,500,000 shares	61,000,000 shares
(ii) Number of shares held as treasury stock as of period-end:	3,840,910 shares	5,931,669 shares
(iii) Average number of shares during the period:	53,905,551 shares	56,932,308 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

- (1) Non-consolidated Business Results

(% indicates changes from previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Fiscal Year Ended March 31, 2025	13,693	88.2	9,174	184.6	8,919	197.1	15,702	457.2
Fiscal Year Ended March 31, 2024	7,276	7.4	3,224	28.8	3,002	21.4	2,817	(36.8)

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
Fiscal Year Ended March 31, 2025	291.29	289.82
Fiscal Year Ended March 31, 2024	49.50	49.29

- (2) Non-consolidated Financial Condition

	Total Assets	Net Assets	Capital-to-asset Ratio	Net Asset per Share
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Year Ended March 31, 2025	142,378	111,602	78.1	2,153.26
Fiscal Year Ended March 31, 2024	154,073	118,310	76.5	2,139.06

(Reference) Equity Capital: As of the end of the fiscal year ended March 31, 2025: 111,235 million yen

As of the end of the fiscal year ended March 31, 2024: 117,794 million yen

*These financial statements are not subject to audit procedures by the certified public accountants or the independent auditor.

*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. Business Results - (1) Business Results for Fiscal Year 2025 - (iii) Business Forecast for Next Fiscal Year” on page 8 of the attached materials.

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Qualitative Information and Financial Statements

1. Business Results

(1) Business Results for Fiscal Year 2025

(i) Results for the Fiscal Year Ended March 31, 2025

	(Millions of Yen)			
	Previous Fiscal Year (ended March 2024)	Current Fiscal Year (ended March 2025)	Increased/(Decreased) from previous fiscal year	
	Amount	Amount	Amount	%
Revenue	187,208	173,896	(13,312)	(7.1)
Cost of sales	83,123	76,452	(6,671)	(8.0)
Gross profit	104,085	97,444	(6,641)	(6.4)
Selling, general and administrative expenses	100,575	100,841	+266	+0.3
Business profit (loss)	3,510	(3,397)	(6,907)	-
Other income	1,990	11,211	+9,221	+463.4
Other expenses	15,003	4,486	(10,517)	(70.1)
Operating (loss) profit	(9,503)	3,328	+12,831	-
Finance income	2,529	2,170	(359)	(14.2)
Finance expense	328	618	+290	+88.4
Share of profit (loss) of investments accounted for using equity method	(988)	813	1,801	-
Profit (loss) before income taxes and equity in net income of affiliated companies	(8,290)	5,693	+13,983	-
Net profit (loss) attributable to owners of parent	(8,632)	6,989	+15,621	-

Business environment surrounding our group during the current fiscal year (from April 1, 2024 to March 31, 2025) were challenging, with continued sluggish sales of our core women's innerwear products 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, uncertainty over asset prices grew stronger, and sluggish sales continued, mainly from our stores in department stores, our main sales channel. In the United Kingdom, consumer sentiment remained soft due to renewed inflationary pressures, and sales were sluggish, mainly at specialty stores, our main sales channel. In China, where the economy continues to stagnate, consumers remain cautious in their spending, and it will take time for sales to recover.

Under such circumstances, our group has been promoting the initiatives to "implement business model reforms to improve profitability", "carry out growth strategies to achieve 'VISION 2030'", "introduce return on invested capital (ROIC) management", and "promote 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 fiscal year, as part of our business model reform, we advanced the development of a new supply chain that enables us to flexibly provide products in response to changes in demand. We have also consolidated and reorganized our domestic production bases (*1), transferred shares of a subsidiary (*2) and concluded a share transfer agreement to transfer shares of another subsidiary (*3). In addition, as part of our growth strategy, we have introduced a brand manager system and reorganized our domestic brand portfolio, rebranded "Wacoal" brand, our focused investment target brand, and strengthened sales promotions of "CW-X" products by featuring famous athletes. In overseas, with the aim of expanding our sales channels in Europe, we acquired the U.K.-based Bravissimo Group Limited (the "Bravissimo Group") (*4). We completed the preparation to introduce ROIC management to improve capital efficiency and enhance business management functions during the current fiscal year and plan to commence its full-scale implementation starting from the fiscal year ending March 31, 2026. In addition, we sold the Asakusabashi Building and the site of the former Fukuoka Office (*5), and took steps reduce our policy-held shareholdings.

As a result of the above, consolidated revenue for the current fiscal year was 173,896 million yen (a decrease of 7.1% as compared to such revenue for the previous fiscal year) and the consolidated business loss was 3,397 million yen (as compared to a consolidated business profit of 3,510 billion yen for the previous fiscal year). We recorded 3,328 million yen of consolidated operating profit (as compared to 9,503 million yen of consolidated operating loss for the previous fiscal year) as a result of the gain from sale of property, plant and equipment related to the sale of Asakusabashi Building and the site of the former Fukuoka Office etc. (9,439 million yen). While consolidated profit before taxes was 5,693 million yen (as compared to 8,290 million yen of consolidated loss before taxes for the previous fiscal year), consolidated profit attributable to the owners of parent was 6,989 million yen (as compared to 8,632 million yen of consolidated loss attributable to the owners of parent for the previous fiscal year) as a result of recording deferred tax assets due to an increase in losses available for use within the group following the reorganization of subsidiaries.

The key exchange rates used for the current fiscal year (the previous fiscal year) were: 152.58 yen (144.62 yen) to the U.S. dollar; 194.61 yen (181.76 yen) to the Sterling pound; and 21.10 yen (20.14 yen) to the Chinese yuan.

(*1) 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) Please see our press release “Notice Concerning Share Transfer Involving a Change in Consolidated Subsidiaries” announced on May 15, 2024:

https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20240515_6en.pdf

(*3) Please see our press release “Notice of transfer (share transfer) of a consolidated subsidiary (wholly owned subsidiary)” announced on February 26, 2025:

<https://www.wacoalholdings.jp/en/ir/topics/files/wacoalholdingsnews20250226en.pdf>

(*4) For details, please see our press release “Announcement regarding Acquisition of 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

(*5) 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 Fiscal Year (ended March 31, 2024)		Current Fiscal Year (ended March 31, 2025)		Decreased from previous fiscal year	
	Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
Total Revenue	187,208	100.0	173,896	100.0	(13,312)	(7.1)
Wacoal Business (Domestic)	94,198	50.3	87,828	50.5	(6,370)	(6.8)
Wacoal Business (Overseas)	67,757	36.2	67,237	38.7	(520)	(0.8)
Peach John Business	10,741	5.7	10,469	6.0	(272)	(2.5)
Other	14,512	7.8	8,362	4.8	(6,150)	(42.4)

(Millions of Yen)

	Previous Fiscal Year (ended March 31, 2024)		Current Fiscal Year (ended March 31, 2025)		Increased/(Decreased) from previous fiscal year	
	Amount	% to Sales	Amount	% to Sales	Amount	%
Operating Profit/(Loss)	(9,503)	-	3,328	1.9	+12,831	-
Wacoal Business (Domestic)	(4,193)	-	2,970	3.4	+7,163	-
Wacoal Business (Overseas)	(5,145)	-	459	0.7	+5,604	-
Peach John Business	(239)	-	(266)	-	(27)	-
Other	74	0.5	165	2.0	+91	+123.0

a. Wacoal Business (Domestic)

During the current fiscal year, 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 also remained strong due to our continued efforts to strengthen cooperation with the third-party e-commerce website operators.

By products, while sales of bras, our mainstay product, continued to be sluggish, sales of cup-style innerwear and wireless bras achieved growth, and “CW-X”, our performance wear brand, which features Major League Baseball player Shohei Ohtani as its brand ambassador, also showed strong sales.

During the current fiscal year, despite the impact of rising cost due to increases in raw materials and labor costs associated with the depreciation of the Japanese yen, the impact on profit margin was minimized due to an increase in 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 87,828 million yen (a decrease of 6.8% as compared to such revenue for the previous fiscal year). Operating profit was 2,970 million yen (as compared to an operating loss of 4,193 million yen for the previous fiscal year) due to the gain on sale of property, plant and equipment related to the sale of the Asakusabashi Building and the former site of the Fukuoka Office, offset by increases in expenses related to the rebranding of our core brand “Wacoal” and advertising

expenses incurred for the promotion of “CW-X” product line, as well as the impairment charges recorded on assets held following the decision to transfer our consolidated subsidiary, Lecien Corporation.

b. Wacoal Business (Overseas)

Sales from Wacoal International Corp. (U.S.) fell below the level in the previous fiscal year on a local currency basis due to the impact of the business withdrawal of Intimates Online, Inc. as well as the sluggish sales resulting from a sharp downturn in the market in the fourth quarter of the current fiscal year and beyond. In terms of our retail stores, weak in-stores sales led to stricter procurement restrictions by some of our wholesale customers. While we launched our CRM system for our e-commerce websites, sales have not yet recovered. 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 previous fiscal year on a local currency basis due to the contribution of the sales from the Bravissimo Group which we acquired in September 2024. Although sales remained weak in the United Kingdom and North America due to factors such as reduced procurement by some of our wholesale customers, and concerns over the outlook for the U.S. tariff policy, which led to the suspension of deliveries to certain customers who have warehouses in Mexico, sales from continental Europe, particularly Germany and France, continued to grow. On the other hand, operating profit fell below the level 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 in both its retail stores and e-commerce business due to the growing preference among consumers for lower prices. Despite our efforts to renegotiate with our wholesale customers on commercial terms and withdraw from underperforming stores, the impact of a decrease in sales was significant and we were unable to improve profitability. In addition, we recorded restructuring expenses of 1,044 million yen for the current fiscal year for inventory valuation loss and expenses incurred for store closures in order to improve our profitability structure looking ahead in the next fiscal year and beyond.

As a result of the above, revenue attributable to our “Wacoal Business (Overseas)” segment on a Japanese yen basis was 67,237 million yen (a decrease of 0.8% as compared to such revenue for the previous fiscal year). Operating profit was 459 million yen (as compared to an operating loss of 5,145 million yen for the previous fiscal year mainly due to the impairment charges on goodwill) mainly due to the poor performance in the United States and China, the one-time impact of the acquisition of the Bravissimo Group and the recording of the restructuring expenses incurred in China.

c. Peach John Business

During the current fiscal year, we set our business policy as “strengthening the acquisition of new customers” and reviewed our customer communication measures and product strategies. As a result, sales began to recover in the third quarter of the current fiscal year and beyond. However, sales fell below the level of the previous fiscal year due to the sluggish sales from our directly managed stores and e-commerce website during the period before the third quarter of the current fiscal year. Sales from third-party e-commerce websites continued to remain strong driven by the major platforms.

As a result of the above, revenue attributable to our “Peach John Business” segment was 10,469 million yen (a decrease of 2.5% as compared to such revenue for the previous fiscal year). We recorded an operating loss of 266 million yen (as compared to an operating loss of 239 million yen for the previous fiscal year).

d. Other

Revenue attributable to our “Other” business segment for the current fiscal year was 8,362 million yen (a decrease of 42.4% as compared to such revenue for the previous fiscal year) and operating profit was 165 million yen (an increase of 123.0% as compared to such operating profit for the previous fiscal year).

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

(Millions of Yen)							
Revenue		Previous Fiscal Year (from April 1, 2023 to March 31, 2024)		Current Fiscal Year (from April 1, 2024 to March 31, 2025)		Increased/(Decreased) from previous fiscal year	
		Amount	Distribution Ratio (%)	Amount	Distribution Ratio (%)	Amount	%
	Wacoal Corp.	88,701	47.4	82,369	47.4	(6,332)	(7.1)
	Wacoal International Corp. (U.S.)	28,038	15.0	24,917	14.3	(3,121)	(11.1)
	Wacoal Europe Ltd.	20,353	10.9	25,201	14.5	+4,848	+23.8
	Wacoal China Co., Ltd.	10,396	5.6	9,085	5.2	(1,311)	(12.6)
	Peach John Co., Ltd.	10,741	5.7	10,469	6.0	(272)	(2.5)
	Lecien Corporation	2,583	1.4	2,880	1.7	+297	+11.5

*Revenue from external customers only

(Millions of Yen)

Operating Profit/(Loss)		Previous Fiscal Year (from April 1, 2023 to March 31, 2024)		Current Fiscal Year (from April 1, 2024 to March 31, 2025)		Increased/(Decreased) from previous fiscal year	
		Amount	% to Sales	Amount	% to Sales	Amount	%
	Wacoal Corp.	(3,061)	-	6,180	7.5	+9,241	-
	Wacoal International Corp. (U.S.)	(6,884)	-	681	2.7	+7,565	-
	Wacoal Europe Ltd.	1,816	8.9	897	3.6	(919)	(50.6)
	Wacoal China Co., Ltd.	(998)	-	(1,844)	-	(846)	-
	Peach John Co., Ltd.	(239)	-	(266)	-	(27)	-
	Lecien Corporation	(167)	-	0	0.0	+167	-

(iii) Business Forecast for Next Fiscal Year

(Millions of Yen)

Category		Fiscal Year ending March 2026		First Half of Fiscal Year ending March 2026		Second Half of Fiscal Year ending March 2026	
		Estimates	Percentage Change (%)	Estimates	Percentage Change (%)	Estimates	Percentage Change (%)
	Revenue	187,500	+7.8	96,000	+6.5	91,500	+9.3
	Wacoal Business (Domestic)	96,370	+9.7	48,000	+6.7	48,370	+13.0
	Wacoal Business (Overseas)	75,100	+11.7	39,400	+14.0	35,700	+9.2
	Peach John Business	11,700	+11.8	5,750	+11.3	5,950	+12.2
	Other	4,330	(48.2)	2,850	(47.7)	1,480	(49.2)

(Millions of Yen)

Category		Fiscal Year ending March 2026		First Half of Fiscal Year ending March 2026		Second Half of Fiscal Year ending March 2026	
		Estimates	Percentage Change (%)	Estimates	Percentage Change (%)	Estimates	Percentage Change (%)
	Operating Profit	22,800	+585.1	22,600	+95.7	200	-
	Wacoal Business (Domestic)	20,300	+583.5	19,650	+131.3	650	-
	Wacoal Business (Overseas)	1,730	+276.9	2,270	(18.4)	(540)	-
	Peach John Business	270	-	90	-	180	-
	Other	500	+203.0	590	+87.3	(90)	-

(Millions of Yen)

Income before income taxes and equity in net income of affiliated companies	22,600	+297.0%	21,600	+68.6%	1,000	-
Net income	14,800	+118.0%	14,400	+65.2%	400	-
Net income attributable to owners of parent	14,870	+112.8%	14,470	+64.9%	400	-

Category	Fiscal Year ending March 2026 Estimates	Fiscal Year ended March 2025 Amount
Basic Earnings per Share	300.00 yen (scheduled)	129.65 yen
Dividend per share:		
Interim	50.00 yen (scheduled)	50.00 yen
Year-end	50.00 yen (scheduled)	50.00 yen (scheduled)

(Note) The “Basic Earnings per Share” information takes into account the impact of repurchase of treasury stock.

During the fiscal year ending March 2026, our group has been promoting the initiatives to “implement business model reforms to improve profitability”, “carry out growth strategies to achieve ‘VISION 2030’”, “introduce ROIC management”, and “promote asset reduction” with a focus on “transformation to a structure capable of steadily generating cash” under the three-year Revised Plan revised in November 2023.

In our domestic business, we will further refine our customer and brand strategies. In addition, we will promote initiatives to review our supply chain and strengthen performance management system to evolve into a company that can respond quickly to changes in demand. We will also continue to work on the cost structure reforms to restore core earnings power. As we anticipate costs of raw materials to continue to rise, we will consider and implement additional measures such as price revisions and cost reductions to minimize the impact of these factors.

In our overseas business, while the business conditions in the existing sales channels continue to struggle as the business environment continues to remain uncertain for a prolonged period of time due to factors such as geopolitical risks, prolonged inflation and the growing economic friction surrounding the new U.S. administration, we plan to continue to work to improve our business foundations at our core operating subsidiaries while continuing to expand customer touchpoints through digital technology to achieve growth in our e-commerce business.

Based on the above-described initiatives, we expect consolidated results for the fiscal year ending March 31, 2026, to be as follows: revenue of 187.5 billion yen, operating profit of 22.8 billion yen, profit before income taxes and equity in net profit of affiliated companies of 22.6 billion yen, and net profit attributable to owners of parent of 14.8 billion yen. We expect our revenue to increase due to positive effects of the various measures taken under the Revised Plan. We expect a significant increase in operating profit due to the positive impact of increased revenue and the recognition of gain from sale of property, plant and equipment. We formulated our plan for the fiscal year ending March 31, 2026 using the key exchange rates of 150.00 yen to the U.S. dollar; 190.00 yen to the Sterling pound; and 20.00 yen to the Chinese yuan.

In addition, while there are many uncertainties regarding the impact of the U.S. tariff policy on the market environment and supply chains, we have determined that there is a high possibility of certain impact and have reflected the increase in costs to the extent that can be predicted at this point of time in the forecast of consolidated results for the fiscal year ending March 31, 2026. We will continue to closely monitor policy developments and conduct thorough risk management. Any further revisions to the forecast of consolidated business results will be announced promptly.

(2) Financial Condition as of Fiscal Year 2025

Status of Assets, Liabilities and Shareholders' Equity

Our total assets as of March 31, 2025 were 272,183 million yen, a decrease of 21,846 million yen from the end of the previous consolidated fiscal year, mainly due to decreases in other financial assets and cash and cash equivalents.

Our current liabilities were 77,291 million yen, a decrease of 1,596 million yen from the end of the previous consolidated fiscal year, mainly due to decreases in deferred income taxes, trade and other payables, despite an increase in borrowings.

Equity attributable to owners of parent was 191,819 million yen, a decrease of 20,010 million yen from the end of the previous consolidated fiscal year, mainly due to repurchase of treasury stock.

As a result of the above, our ratio of equity attributable to owners of parent as of March 31, 2025 was 70.5%, a decrease of 1.5 percent points from the end of the previous consolidated fiscal year.

Cash Flows Status

The balance of cash and cash equivalents as of March 31, 2025 was 23,419 million yen, a decrease of 10,128 million yen from the end of the previous consolidated fiscal year.

Cash flow provided by operating activities:

Cash flow provided by operating activities was 4,938 million yen, a decrease of 6,353 million yen as compared to the previous consolidated fiscal year, after adjustments for changes in assets and liabilities to our net income of 6,788 million yen plus adjustments for depreciation and amortization and income tax expense and other items.

Cash flow provided by investing activities:

Cash flow provided by investing activities was 9,382 million yen, a decrease of 4,666 million yen as compared to the previous consolidated fiscal year, due to proceeds from sale of property, plant and equipment.

Cash flow used in financing activities:

Cash flow used in financing activities was 22,925 million yen, an increase of 2,714 million yen as compared to the previous consolidated fiscal year, due to repurchase of treasury stock.

(3) Basic Policy Regarding Distribution of Profits and Dividends for Fiscal Year 2025 and Fiscal Year 2026

Our basic policy on profit distributions to shareholders is to make stable distributions based on consideration of our consolidated business results, while seeking to increase net income per share by enhancing our corporate value through active investments aimed at improving profitability.

From the viewpoint of increasing our corporate value, we intend to use retained earnings for strategic investments to maintain competitiveness and to enhance growth, such as expansion and fulfillment of customers relations domestically and in overseas, in order to benefit our shareholders by improving future profitability.

Based on the above, we plan to distribute 50.00 yen per share as a year-end dividend for the current fiscal year, the same amount as the estimated dividend announced during the latest quarter. The total annual cash dividend per share will be 100.00 yen, including the interim dividend per share of 50.00 yen.

For the fiscal year ending March 31, 2026, we plan to declare, based on the above policy, an annual cash dividend per share of 100.00 yen, composed of an interim dividend per share of 50.00 yen and a year-end dividend per share of 50.00 yen.

2. Basic Policies regarding Selection of Accounting Standards

Our group adopts the International Financial Reporting Standards (IFRS) in order to improve international comparability and convenience of financial information in the capital markets.

3. Consolidated Financial Statements and Accompanying Notes

(1) Consolidated Statement of Financial Position

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2024	Current Consolidated Fiscal Year as of March 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	33,547	23,419
Trade and other receivables	22,141	16,835
Other financial assets	1,996	2,007
Inventories	49,989	50,226
Other current assets	4,464	7,488
Total current assets	112,137	99,975
Non-current assets:		
Property, plant and equipment	45,478	43,252
Right-of-use assets	11,471	12,038
Goodwill	11,805	15,191
Intangible assets	11,890	12,047
Investment property	2,839	1,634
Investments accounted for using equity method	20,347	20,064
Other financial assets	54,451	42,022
Retirement benefit assets	18,795	18,399
Deferred income taxes	3,995	6,879
Other non-current assets	821	682
Total non-current assets	181,892	172,208
Total assets	294,029	272,183

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year as of March 31, 2024	Current Consolidated Fiscal Year as of March 31, 2025
Liabilities and Equity		
Liabilities		
Current liabilities:		
Borrowings	7,200	11,915
Lease liabilities	4,898	4,704
Trade and other payables	17,406	15,778
Other financial liabilities	995	916
Income taxes payable	4,074	3,019
Other current liabilities	14,566	13,716
Total current liabilities	49,139	50,048
Non-current liabilities		
Borrowings	1,946	2,554
Lease liabilities	6,598	7,663
Retirement benefit liability	2,947	1,621
Deferred income taxes	16,934	14,112
Other non-current liabilities	1,323	1,293
Total non-current liabilities	29,748	27,243
Total liabilities	78,887	77,291
Equity		
Common stock	13,260	13,260
Additional paid-in capital	20,550	4,311
Retained earnings	148,494	153,579
Other components of equity	46,784	38,637
Treasury stock, at cost	(17,259)	(17,968)
Total equity attributable to owners of parent	211,829	191,819
Noncontrolling interests	3,313	3,073
Total equity	215,142	194,892
Total liabilities and equity	294,029	272,183

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

(Consolidated Statement of Profit or Loss)

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)		Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)	
		%		%
Revenue	187,208	100.0	173,896	100.0
Cost of sales	(83,123)	(44.4)	(76,452)	(44.0)
Selling, general and administrative expenses	(100,575)	(53.7)	(100,841)	(58.0)
Other income	1,990	1.0	11,211	6.5
Other expenses	(15,003)	(8.0)	(4,486)	(2.6)
Operating profit (loss)	(9,503)	(5.1)	3,328	1.9
Finance income	2,529	1.4	2,170	1.3
Finance costs	(328)	(0.2)	(618)	(0.4)
Share of profit of investments accounted for using equity method	839	0.5	828	0.5
Impairment charges of investments accounted for using equity method	(1,827)	(1.0)	(15)	(0.0)
Profit (loss) before tax	(8,290)	(4.4)	5,693	3.3
Income tax expense	(453)	(0.3)	1,095	0.6
Profit (loss)	(8,743)	(4.7)	6,788	3.9
Profit (loss) attributable to:				
Owners of parent	(8,632)	(4.6)	6,989	4.0
Noncontrolling interests	(111)	(0.1)	(201)	(0.1)
Profit (loss)	(8,743)	(4.7)	6,788	3.9
Profit (loss) per share:				
Basic earnings (loss) per share (yen)	(151.62)		129.65	
Diluted earnings (loss) per share (yen)	(151.62)		129.16	

(Consolidated Statement of Comprehensive Income)

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Profit (loss)	(8,743)	6,788
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	14,584	(3,506)
Remeasurement of defined benefit plans	1,679	(332)
Share of other comprehensive income of investments accounted for using equity method	86	(117)
Total	16,349	(3,955)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	8,417	(421)
Share of other comprehensive income of investments accounted for using equity method	769	(142)
Total	9,186	(563)
Total other comprehensive (loss) income	25,535	(4,518)
Comprehensive income	16,792	2,270
Comprehensive income (loss) attributable to:		
Owners of parent	16,645	2,401
Noncontrolling interests	147	(131)
Comprehensive income	16,792	2,270

(3) Consolidated Statements of Equity

Previous Consolidated Fiscal Year (From April 1, 2023 to March 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, 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				25,277		25,277	258	25,535
Total comprehensive income	—	—	(8,632)	25,277	—	16,645	147	16,792
Repurchase of treasury stock					(10,001)	(10,001)		(10,001)
Cancellation of treasury stock		(8,572)			8,572	—		—
Share-based payment transactions		(5)			64	59		59
Dividends			(5,169)			(5,169)	(99)	(5,268)
Changes in ownership interests in subsidiaries		98				98	(20)	78
Transfer from other components of equity to retained earnings			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

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

(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)			6,989			6,989	(201)	6,788
Other comprehensive income				(4,588)		(4,588)	70	(4,518)
Total comprehensive income	—	—	6,989	(4,588)	—	2,401	(131)	2,270
Repurchase of treasury stock					(17,008)	(17,008)		(17,008)
Disposal of treasury stock		0			0	0		0
Cancellation of treasury stock		(16,011)			16,011	—		—
Share-based payment transactions		(228)			288	60		60
Dividends			(5,463)			(5,463)	(107)	(5,570)
Disposal of subsidiaries						—	(2)	(2)
Transfer from other components of equity to retained earnings			3,559	(3,559)		—		—
Total transactions with owners	—	(16,239)	(1,904)	(3,559)	(709)	(22,411)	(109)	(22,520)
Balance at March 31, 2025	13,260	4,311	153,579	38,637	(17,968)	191,819	3,073	194,892

(4) Consolidated Statement of Cash Flows

(Millions of Yen)

Accounts	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Operating activities		
Profit (loss)	(8,743)	6,788
Depreciation and amortization	11,861	11,822
Impairment charges	6,860	2,369
Finance income	(2,529)	(2,170)
Finance costs	328	618
Share of profit of investments accounted for using equity method	(839)	(828)
Impairment charges of investments accounted for using equity method	1,827	15
Income tax expense	453	(1,095)
(Gain) loss on sale and disposal of property, plant and equipment-net	99	(9,227)
Decrease (increase) in trade and other receivables	(990)	4,816
Decrease in inventories	6,569	1,025
Increase in other assets	(112)	(192)
Decrease in trade and other payables	(778)	(1,844)
Decrease in retirement benefit asset or liability	(4,542)	(220)
Decrease in other liabilities	(82)	(2,405)
Other	3,628	(917)
Subtotal	13,010	8,555
Interest received	308	488
Dividends received	2,002	1,794
Interest paid	(292)	(604)
Income taxes paid	(3,737)	(5,295)
Net cash provided by operating activities	11,291	4,938
Investing activities		
Proceeds from withdrawal of time deposits	747	2,115
Payments into time deposits	(1,099)	(1,695)
Purchase of property, plant and equipment	(1,815)	(2,496)
Proceeds from sale of property, plant and equipment	610	11,569
Purchase of intangible assets	(1,566)	(1,379)
Purchase of other financial assets	(230)	(234)
Proceeds from sale or amortization of other financial assets	17,173	7,825
Payments for acquisition of subsidiaries	—	(7,270)
Proceeds from sale of subsidiaries	—	858
Other	228	89
Net cash provided by investing activities	14,048	9,382
Financing activities		
Net increase in short-term bank loans with original maturities of three months or less	678	88
Proceeds from long-term bank loans	—	6,971
Repayments of long-term bank loans	—	(1,680)
Repayments of lease obligations	(5,690)	(5,726)
Payments for purchase of treasury stock	(10,001)	(17,008)
Proceeds from disposal of treasury stock	0	0
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	(20,211)	(22,925)
Effect of exchange rate changes on cash and cash equivalents	1,638	(228)
Net decrease in cash and cash equivalents resulting from transfer to assets held for sale	—	(1,295)
Net decrease (increase) in cash and cash equivalents	6,766	(10,128)
Cash and cash equivalents at beginning of period	26,781	33,547
Cash and cash equivalents at end of period	33,547	23,419

(5) Notes on Going Concern

Not applicable.

(6) Basic Significant Matters in Preparation of Consolidated Financial Statements

(i) Standard of Preparation of Consolidated Financial Statements

The consolidated financial statements of our group are prepared in accordance with IFRS.

(ii) Matters Regarding the Scope of Consolidation and Application of the Equity Method

Major consolidated subsidiaries:

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

Major Affiliated Companies:

Shinyoung Wacoal Inc., Taiwan Wacoal Co., Ltd. and Thai Wacoal Public Co., Ltd.

(iii) Changes Regarding the Scope of Consolidation and Application of Equity Method

Consolidated: (New) Eveden Online, LLC, Bravissimo Group Ltd., Bravissimo Ltd., and Bravissimo Inc.
(Excluded) Nanasai Co., Ltd. and Adden Ltd.

Equity Method: (Excluded) SRP Nanasai Co., Ltd.

(7) Notes to the Consolidated Financial Statements

(Segment Information)

(i) Reportable Segment Information

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

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers	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) 2	(4,193)	(5,145)	(239)	(9,577)	74	—	(9,503)

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Reportable Segment				Other (Note) 1	Adjustments	Consolidated
	Wacoal Business (Domestic)	Wacoal Business (Overseas)	Peach John Business	Total			
Revenue							
External customers	87,828	67,237	10,469	165,534	8,362	—	173,896
Intersegment	420	12,183	140	12,743	3,347	(16,090)	—
Total	88,248	79,420	10,609	178,277	11,709	(16,090)	173,896
Segment profit (loss) (Note) 2	2,970	459	(266)	3,163	165	—	3,328

- (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 (loss) on the consolidated statement of profit or loss. For a reconciliation from operating profit (loss) to income (loss) before income taxes and equity in net profit of affiliated companies, please see the consolidated statement of profit or loss.
 3. We account for intersegment sales and transfers at cost plus an interest.

(ii) Segment Information by Region

Revenue – external customers

(Millions of Yen)

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Japan	118,367	105,560
Asia and Oceania	21,877	20,046
Americas and Europe	46,964	48,290
Total	187,208	173,896

- (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 fiscal year and current consolidated fiscal year were 33,038 million yen and 30,175 million yen, respectively.

(Per Share Information)

(i) Basis for calculation of basic earnings (loss) per share

	Previous Consolidated Fiscal Year ended March 31, 2024	Current Consolidated Fiscal Year ended March 31, 2025
Earnings (loss) attributable to owners of parent (Millions of Yen)	(8,632)	6,989
Earnings (loss) attributable to participating equity instruments (Millions of Yen)	(5)	6
Earnings (loss) used when calculating basic earnings per share (Millions of Yen)	(8,627)	6,983
Weighted average number of tradable shares (Thousand shares)	56,932	53,905
Weighted average number of participating equity instruments (Thousand shares)	34	46
Weighted average number of shares (Thousand shares)	56,898	53,859
Basic earnings (loss) per share (Yen)	(151.62)	129.65

(ii) Basis for calculation of diluted earnings (loss) per share

	Previous Consolidated Fiscal Year ended March 31, 2024	Current Consolidated Fiscal Year ended March 31, 2025
Earnings (loss) used when calculating basic earnings per share (Millions of Yen)	(8,627)	6,983
Profit reconciliation (Millions of Yen)	—	—
Earnings (loss) used when calculating diluted earnings per share (Millions of Yen)	(8,627)	6,983
Weighted average number of common shares (Thousand shares)	56,898	53,859
Increase in number of common stock		
Stock acquisition rights (Thousand shares)	—	—
Diluted weighted average number of common shares (Thousand shares)	56,898	54,064
Diluted earnings (loss) per share (Yen)	(151.62)	129.16

(Note) Potential shares do not have dilutive effect as the exercise of stock acquisition rights reduce the loss per share for the previous consolidated fiscal year.

(Significant Subsequent Events)

Not applicable.

- End -