

# ALWAYS CREATING, SHARING VALUE. ALWAYS STRIVING FOR MORE.

Our enduring aspiration in this statement reflects our strong determination to continue self-transformation and evolution—now and into the future. We strive to attract customers and keep innovating ourselves toward new possibilities by building a system that enables us to constantly offer value to customers and by putting that system into action.

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### Editorial Policy

This report has been prepared as a communication tool that systematically outlines sustainable and replicable growth strategies from both a financial and non-financial perspective in order to achieve our corporate statement: "Always creating, sharing value. Always striving for more." It follows the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. We will strive to further enhance the content of the report in the future to deepen the understanding of our Group among a broader range of readers, including shareholders and investors.

(Key points of Integrated Report 2024)

As this is the first year of publication for our Integrated Report, we have emphasized the following three key points.

- Present World's vision and the roadmap to achieve it
- Outline a growth strategy that integrates financial and non-financial strategies
- Demonstrate a sustainable business model

### Reporting Period

April 1, 2023 to February 29, 2024; hereinafter FY02/24

\* The fiscal year-end changed from March to February in FY02/24.

Some information that does not pertain to this period is also included.

### Reporting Scope

World Co., Ltd. (hereinafter "World" or the "Company") and its Group companies

### Amounts in This Report

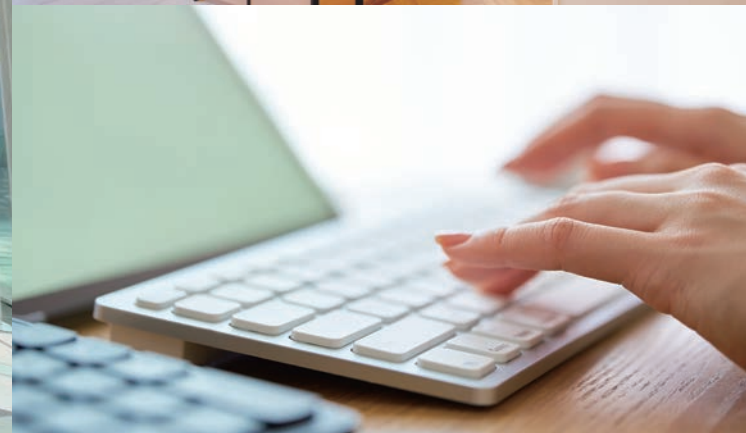
The amounts and ratios in this report are rounded to the nearest unit.

### Disclaimer regarding Forward-Looking Statements

The present plans, forecasts, strategies, and other contents in this report include forward-looking statements that represent World's judgment based on information available at the time the report was produced. Please note that actual future results may differ significantly due to various factors. The risks and uncertainties that may affect our earnings performance include economic conditions affecting our business environment, market competition, exchange rates, taxes, and other systems.

# WORLD CO., LTD. INTEGRATED REPORT 2024

# WORLD NOW AND WHERE WE WANT TO BE



# CORPORATE STATEMENT

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World has created many product and store brands with various values in the past. These brands are the result of our unique creativity and have served to enhance the values of fashion in society. However, such values do not remain unchanged; instead, they change as customer needs change over time. In order to continue evolving as a “Value-Creating Enterprise,” we at World must keep creating new values in response to ever-changing customer needs.

**Always creating, sharing value.  
Always striving for more.**

Our enduring aspiration in this statement reflects our strong determination to continue self- transformation and evolution – now and into the future. We strive to attract customers and keep innovating ourselves toward new possibilities by building a system that enables us to constantly offer values to customers and by putting that system into action.

# VISION

## Group Medium- to Long-Term Vision

In the fashion industry, the effective utilization of limited resources is a pressing issue. For the WORLD Group to continue creating long-term and sustainable value as a value-creating enterprise, we must not only take responsibility for production but also create a cycle that includes usage and disposal. We believe a focus on social value leads to industry sustainability, and is the key to our business growth.

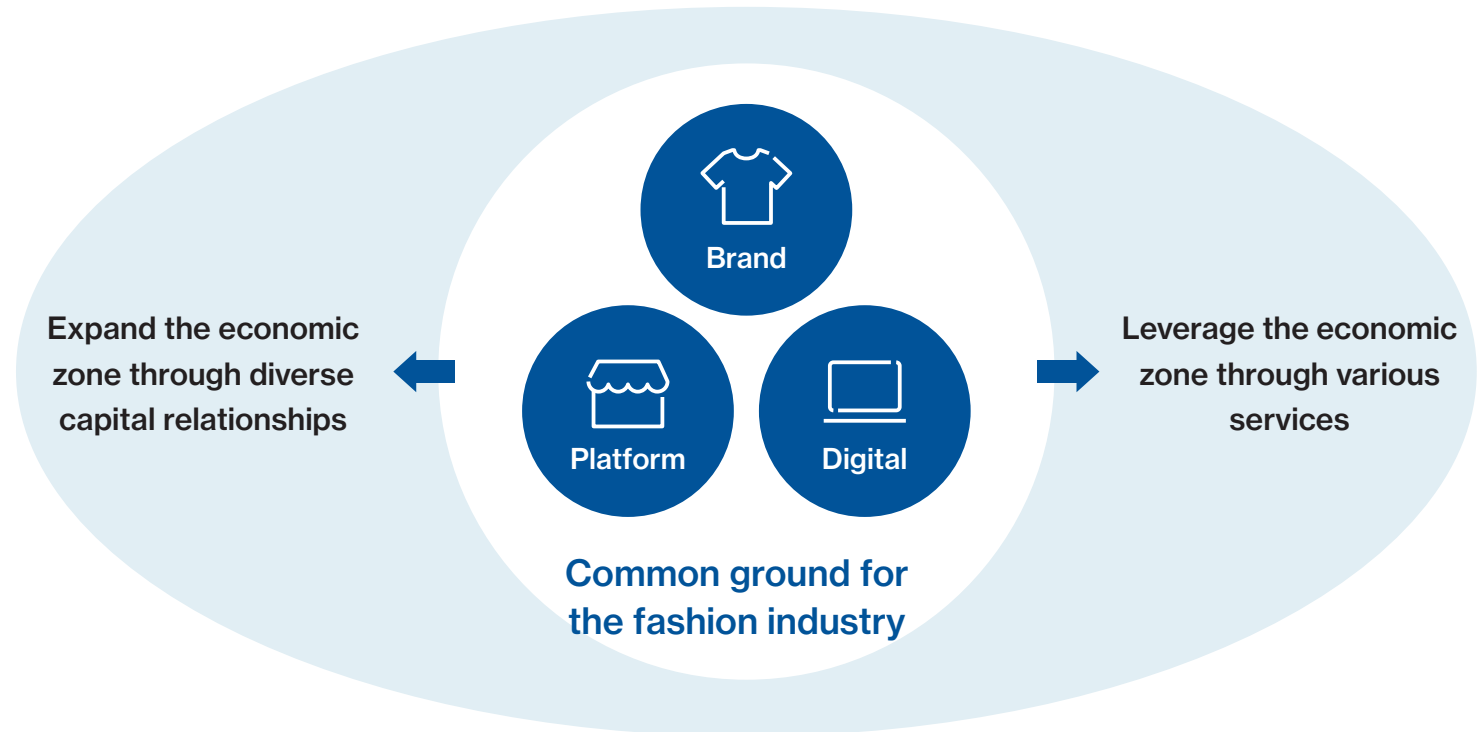
By realizing fashion diversity and sustainability, we aim to continuously offer the joy of fashion to our customers in various forms. To achieve this mission, we are committed to establishing and evolving the “WORLD Fashion Ecosystem.”

Transforming the supply chain is beyond the capability of any single company. However, since the announcement of our SPARCS Vision\* in 1992, we have tirelessly pursued production free of losses and waste, and achieved growth accordingly. We are therefore confident that we can realize our vision.

The WORLD Group will lead the creation of a common ground for a new fashion industry by expanding our economic sphere via diverse capital relationships and by leveraging our economic sphere through various services.

## WORLD Fashion Ecosystem

“Pursue the creation of a fashion industry without losses and waste  
= Evolution of our SPARCS vision”



Taking steps to realize our founding ambition of “soaring onto the global stage one day” supported by a business model that is truly unique in the world

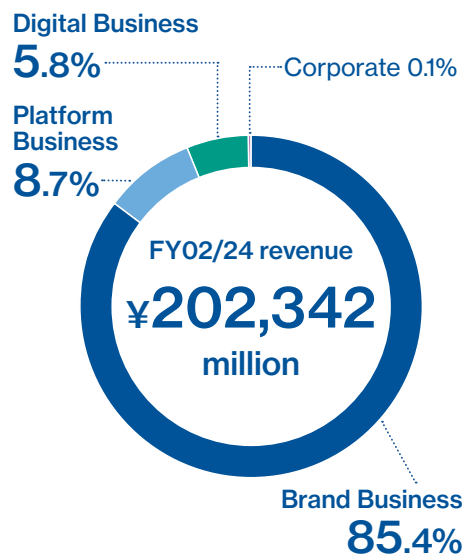
\* SPARCS Vision: SPARCS is an acronym for “Super,” “Production,” “Apparel,” “Retail,” and “Customer Satisfaction.” It refers to a business model that transforms losses and waste into value through integrated operations ranging from retail to production with a customer-centric perspective.

# OVERVIEW

## Group Overview FY02/24

Note: FY02/24 results reflect an irregular 11-month accounting period due to a change in the fiscal year-end.

### ► Revenue (external revenue) composition by business\*



### Revenue

**¥202,342 million**

### Core operating profit

**¥13,640 million**

\* The total displayed in the center of the pie chart includes not only the revenue (external revenue) of each department but also the amount for corporate (shared) transactions.

## Brand Business



Revenue	Core operating profit
<b>¥175,425 million</b>	<b>¥9,718 million</b>
(External revenue: ¥172,743 million)	

In the Brand Business, the WORLD Group expands its portfolio through a combination of brand development and store development capabilities, offering a diverse range of brands catering to various demographics, from women's, men's, and children's apparel to accessories, jewelry, and home decor. This includes middle-upper brands offering high-value-added merchandise (sold mainly in department stores), middle-lower brands aimed at a broad audience (sold primarily in shopping centers), and lifestyle brands mainly offering lifestyle goods and fashion accessories centered around familiar living themes. In Japan, we have launched stores in various commercial facilities, such as department stores, station buildings, fashion buildings, and shopping centers. Overseas, we have expanded into Taiwan and Thailand, and also explore new fashion ventures through investments and value enhancements in fashion-related businesses.

## Digital Business



Revenue	Core operating profit
<b>¥29,648 million</b>	<b>¥1,761 million</b>
(External revenue: ¥11,779 million)	

The Digital Business comprises B2B (system solutions) and B2C (circular) businesses. In our B2B (system solutions) businesses, we support all operational aspects of fashion businesses through digital platform development, building and operating our own-brand e-commerce mall, while also providing services to third parties, ranging from contracted e-commerce mall operations to digital solutions for fashion businesses. In our B2C (circular) businesses, we facilitate the transition to reuse, rental, and off-price services that promote a circular economy in accordance with the needs of this era. We offer new services that transcend existing businesses, transforming both the mindset and methods used in business development.

## Platform Business



Revenue	Core operating profit
<b>¥67,326 million</b>	<b>¥528 million</b>
(External revenue: ¥17,670 million)	

The Platform Business was originally established to solve challenges in the overall fashion industry. In this business, we actively share the expertise and systems accumulated by the WORLD Group in the 60 years since our founding with third parties in and outside the fashion industry. Our business expertise spans many areas, including designing and manufacturing products based on market trends, designing attractive store layouts, formulating sales strategies, reducing costs, as well as expanding domestic and international sales channels and building e-commerce sites. We provide optimal solutions under a one-stop model across various business sectors such as clothing, food, housing, and leisure, aiming to translate customer needs into tangible outcomes by creating stores that generate new value and realizing a variety of services. In this way, we solve difficulties as a business partner for our customers.



# AT A GLANCE

## Key Figures – The WORLD Group at a Glance FY02/24

FY02/24 results reflect an irregular 11-month accounting period due to a change in the fiscal year-end.

Since its establishment, World has continuously pursued diversity and sustainability in the fashion industry.

### Scale

Number of Group companies

50



Number of employees

7,183

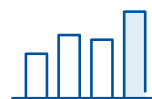


### Financial

Revenue

¥202,342

million



Core operating profit  
(earnings power of core business)

¥13,640

million



ROE

8.2

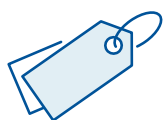
%



### Non-financial

Number of brands

66



Number of stores

2,217



Outside members of the Board  
(as of September 30, 2024)

5

(out of 9)



Ratio of female managers  
(section manager level and above)

22.0

%



Number of female  
employees with children

1,981



# TOP

## President's Message

# MESAGE

### Aiming to build the WORLD Fashion Ecosystem, a fashion ecosystem that is unique in the world

#### “Adaptability” Is Embedded in World’s DNA

The WORLD Group has developed various businesses and brands by consistently adapting to the evolving times and changing markets while continuing to take on new challenges. Our strength lies in our adaptability, which we have cultivated throughout our history.

Looking back, after getting our original wholesale business off the ground, we developed specialty stores that exclusively handled World products. Thereafter, we integrated our processes from retail to production with consumers at the center, announced our SPARCS Vision<sup>\*1</sup> that calls for turning losses and waste into value, and boldly transitioned to our SPA<sup>\*2</sup> model. In the early 1990s, we garnered considerable attention by continuously developing new brands and opening directly



**Nobuteru Suzuki**

Representative Director of the Board,  
President and Executive Officer

<sup>\*1</sup> SPARCS Vision: SPARCS is an acronym for “Super,” “Production,” “Apparel,” “Retail,” and “Customer Satisfaction.”

It refers to a business model that transforms losses and waste into value through integrated operations ranging from retail to production with a customer-centric perspective.

<sup>\*2</sup> SPA (Specialty store retailer of Private label Apparel): A business model that combines manufacturing and retail operations



managed stores, primarily through the department store channel. Then, in the 2000s, we continued to expand and transform our business by adapting to market changes, including by developing business formats geared toward shopping centers, which were in the early stage of growth in Japan. As a fashion company, we also led the way in e-commerce, pioneering its introduction in the industry, which is a further testament to our adaptability. Ever since, we have continued to expand our portfolio. In addition to the Brand Business, we established a diverse range of earnings streams by developing the Platform Business that leverages the expertise and systems honed in our fashion operations, and by advancing into the Digital Business following our re-listing in 2018, engaging in new operations such as digital and circular services. We have nurtured this corporate culture over time and remained steadfast in our commitment to it, even in this era of rapid change, and we will continue to do so going forward. This culture remains our strength as we boldly take on the challenges of the future.

### **Aiming to Build a Globally Unique System that Realizes Diversity and Sustainability in Fashion**

The WORLD Group aspires to be a value-creating enterprise that continuously produces a wide variety of products and services related to fashion, tailored to the needs of customers. While embracing this diversity, we also strive to remain a problem-solving enterprise that achieves high efficiency in a sustainable manner.

Furthermore, we intend to not only strengthen our own Group but also to become a foundational social platform for the entire industry, where various players and brands can leverage their unique strengths. This intention is reflected in our medium- to long-term vision, which calls for contributing to society by building the “WORLD Fashion Ecosystem,” a fashion ecosystem that is unique in the world. This concept represents an extension of our SPARCS Vision – introduced in 1992 to turn various losses in the value chain into value – across society as a whole. We aim to contribute to society by constantly pursuing the realization of value creation that supports “diversity of lifestyle culture,” and of a “sustainable society free of losses and waste,” two goals that go hand in hand.

### **Toward the Realization of the WORLD Fashion Ecosystem Progress with Medium-Term Management Plan “PLAN-W”**

Our medium-term management plan “PLAN-W,” which kicked off in FY02/24, aims to enhance value for our stakeholders by creating customer value through our business portfolio, and by fostering a virtuous cycle through improvement of corporate value and employee value, with the ultimate aim of realizing the aforementioned medium- to long-term vision.

In FY02/24, the first year of the plan, we achieved our initial numerical targets. However, we also went beyond merely pursuing short-term profit growth by taking steps to develop new businesses and implement various improvements, enhancing

value for employees.

Our theme for FY02/25 is to “demonstrate sustainable growth and profit.” We are in the process of evolving our business portfolio, creating value through synergies from the vertical and horizontal integration of subsidiaries driven by organizational restructuring. At the same time, we are working to further improve employee value to enhance the competitiveness of our human resources, while aiming to grow profits to their highest level since our re-listing.

At present, both the Digital Business and Platform Business are steadily increasing profits, cementing their position as next earnings pillars alongside our Brand Business. In particular, the B2C (circular) services, a growth area within the Digital Business, are experiencing remarkable growth. In addition, our overseas business and revitalization and investment business, which are set to become the next earnings pillars, are delivering results and have started ramping up related activities to support business expansion. We aim to ensure sustainable growth in the future by targeting profit growth in businesses that already serve as earnings pillars, while concurrently evolving our business portfolio.

### **Expanding the WORLD Group through Employee Growth Consistently Honing Capabilities in the Field That Underpin Our Businesses: People and Operations**

While having a strategy to boldly meet future challenges through adaptability is essential to support

sustainable business growth, the capabilities of our people remain the most important factor. It goes without saying that the success of our business starts with our actions on the ground. Ensuring that our employees adopt a customer-centric perspective and strive to improve the added value of products and services, is both the starting point and the end goal of everything we do. In other words, pursuing constant operational improvements that elevate the value of our “people” and “operations” every day – even if only by 1% or 0.1% – is a core principle for us and forms the foundation of all our strategies. Going forward, we will continue to expand the various opportunities for experience and education that only a diverse group like ours can offer, while evolving systems that allow each employee to work with high motivation in conditions tailored to their career and lifestyle. This will support the growth of our employees, which in turn will drive the growth of the Group, ultimately leading to the sustainable enhancement of shareholder value.

In our efforts to support human capital management, we have recently established concrete guidelines and identified four key concepts: “enhance knowledge accessibility,” “optimize the workforce,” “promote diversity,” and “enhance engagement.”

The Group operates a diverse range of businesses and can therefore offer extensive career growth opportunities and a wide array of choices to each individual, which is one of our strengths. For example, if our employees are interested in pre-owned clothing, they can move into that area of

business. Alternatively, if our sales employees wish to boost their expertise, they can advance their careers not only by focusing on in-house brands but also by getting involved in our Platform Business, where they can enhance their experience and skills while contributing to other companies across various industries nationwide. This ability to offer diverse career paths is a unique strength that elevates and empowers our Group employees.

### Dialogue and Co-Creation with Stakeholders

While the Group has clearly laid out a medium- to long-term vision and is moving toward new growth with a unique business portfolio, we recognize that we have not yet fully communicated our growth story and the concrete steps we are taking toward realizing the “WORLD Fashion Ecosystem” to our many stakeholders, including shareholders and investors. Furthermore, we have not been able to eliminate the outdated perception of our business model as being focused solely on apparel.

This year, we have published our first Integrated Report, and we hope this report will allow our stakeholders to gain a deeper understanding of the Company. Through further dialogue with all of you, we aim to refine the value of our Group and work together toward the further creation of diverse value and the realization of a sustainable society.

We invite you to look forward to the new steps we are taking and the further growth of our Group.



# ROADMAP

## Medium- to Long-Term Roadmap

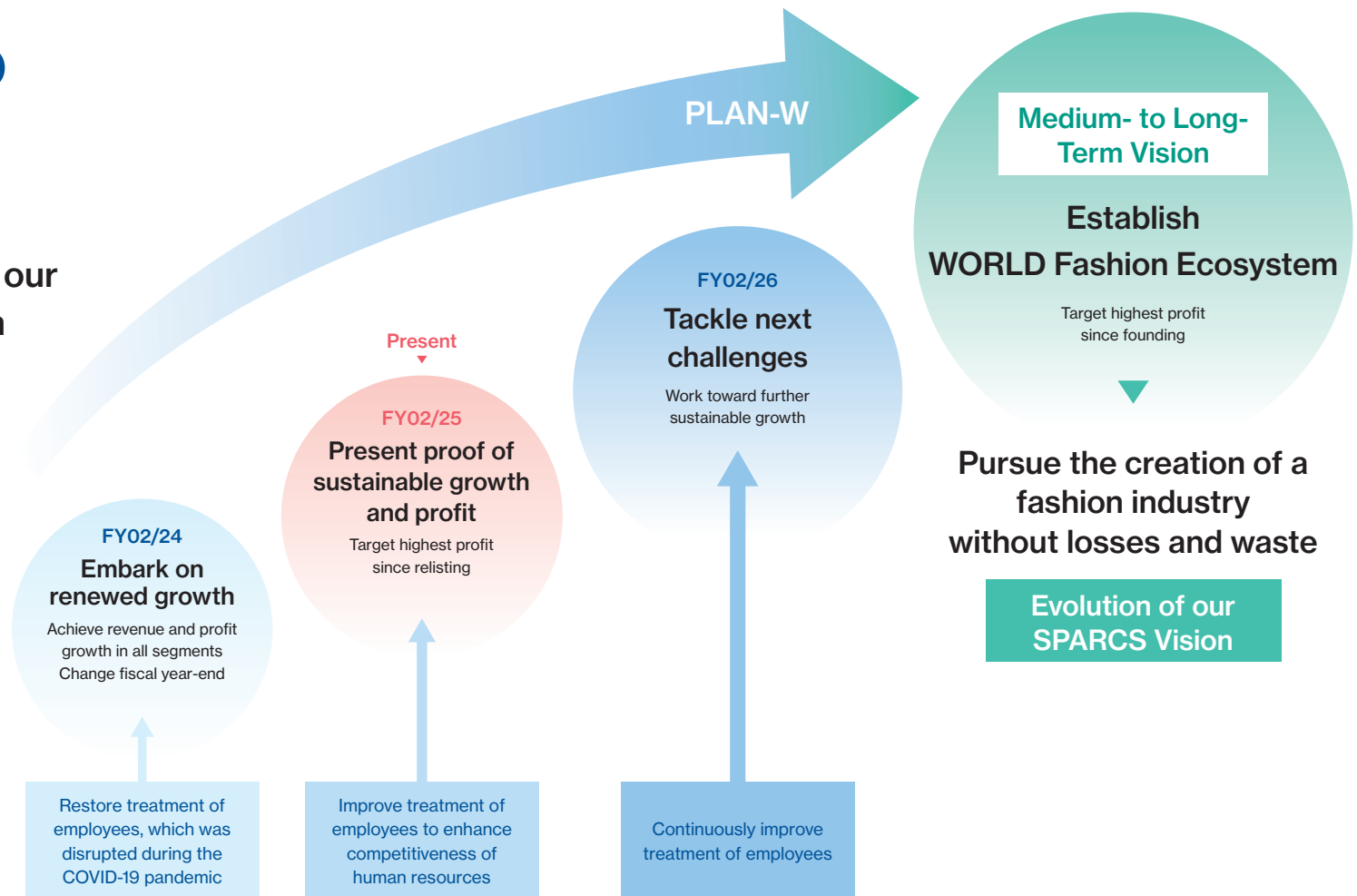
### Toward Sustainable and Replicable Growth: Realizing our Medium- to Long-Term Vision

The medium- to long-term vision of the WORLD Group is to build and evolve the “WORLD Fashion Ecosystem,” a fashion ecosystem that is unique in the world, and continuously offer the joy of fashion to customers in various forms by realizing fashion diversity and sustainability. We have formulated “PLAN-W” as our medium-term management plan to help us achieve this vision. To target sustainable and replicable growth in the future, we need to pursue not only short-term profit growth but also steadily improve the environmental, social, and governance (ESG)-related management that underpins our operations. We believe various factors will play an important role here, including establishing the foundations necessary to balance and achieve both diversity and sustainability, which is in sync with the execution of our strategy for sustainable development goals (SDGs), and creating a positive cycle of simultaneously improving corporate and employee value.



Medium-term management plan

\* SPARCS Vision: Please refer to the note on ▶P. 4



Realize a virtuous cycle in which improvements in corporate value translate into improvements in employee value

## ESG Management

Establish the foundations necessary to balance and achieve both diversity and sustainability



## VALUE CREATION STORY



# HISTORY

## Adapting to Change – Our Journey

Since its founding, World has anticipated market changes and continuously transformed itself, bringing fresh perspectives to the fashion industry.

Our unwavering commitment to self-transformation is driven by our goal of creating customer satisfaction.

### 1st Founding: 1959

#### Establishment and Growth of Wholesale Operations

In 1959, World was established in Kobe, Hyogo Prefecture, as a wholesaler of women's knitwear. We pioneered methods that predated the modern apparel industry, such as specifying designs and colors in-house and manufacturing them in factories. Early on, we employed fashion designers to successively launch unique products. We also developed total coordination brands during an era when single-item proposals were the norm, and established stores that exclusively sold World products. These initiatives increased our recognition as a fashion brand and expanded our wholesale business.

- 1959** Established World Co., Ltd. in Ikuta-ku (now Chuo-ku), Kobe, as a wholesaler of sweaters.
- 1965** Opened a Tokyo office in Taito-ku, Tokyo, to support business growth.
- 1967** Developed the WORLD COORDINATE (now CORDIER) brand, a total coordination brand based on the concept that fashion is about balance, moving away from the single-item knitted garments that had been the norm.
- 1970** Introduced the Only Shop system, a network of specialty stores that exclusively sold World products. Developed a sales strategy that leveraged the unique characteristics of total coordination brands.
- 1976** Started selling fabric wear products with the launch of the Ville d'azur brand.
- 1980** Established World Industry Co., Ltd. to plan and manufacture clothing, and expanded into the garment manufacturing sector.

\*1 SPARCS Vision: Please refer to the note on [▶P.4](#)

\*2 World Ecoromo Campaign: Please refer to [▶P. 43](#)

### 2nd Founding: 1992

#### SPARCS Vision\*1 / Promotion of SPA Retail Format

As fashion diversified and consumer preferences continued to change, World announced its medium-term management vision, SPARCS Vision, in 1992. This marked a transition to a market-in business model aimed at maximizing productivity and customer satisfaction by integrating processes from retail to production under a customer-centric perspective, while transforming losses and waste into value. To realize this vision, we launched the SPA brand OZOC and have since significantly grown our retail business by embracing a multi-format, multi-brand strategy and developing diverse sales floors to flexibly accommodate market changes.

- 1992** Announced SPARCS Vision, our medium-term management vision.
- 1993** Launched OZOC as our first SPA brand using the department store SPA retail format, and started developing our retail business in earnest.  
Listed on the Second Section of the Osaka Securities Exchange.
- 1995** Launched UNTITLED as our second SPA brand.
- 1996** Opened an INDEX store in front of a ticket gate in JR Shibuya Station, marking the start of in-station store development for the brand.
- 1998** Started opening ITS'DEMO stores, which offer assorted categories of merchandise, including apparel, fashion accessories, and cosmetics.
- 1999** Transferred listing to the First Sections of the Tokyo Stock Exchange and Osaka Securities Exchange.
- 2000** Launched the HusHusH brand geared toward young families and began opening stores in shopping centers.
- 2002** Entered the direct marketing business.

### 3rd Founding: 2005

#### Expansion of Industrial Platform

Following the MBO in 2005, we have striven to strengthen our functions across the entire value chain – from upstream to downstream – starting with our retail stores, with the goal of further enhancing corporate value over the medium to long term. We established World Production Partners Co., Ltd. to strengthen production capabilities and expanded into the interior and home decor businesses alongside our apparel business. Furthermore, to build an e-commerce platform business, we founded Fashion-Co-Lab. Co., Ltd., advancing efforts to develop an industrial platform that integrates sales, planning, production, and digital operations to further enhance customer value.

- 2005** Strengthened production business by adding a trading company specializing in textiles (now World Production Partners Co., Ltd.) to the Group.  
Conducted an MBO, delisted from the stock exchange, and entered the interior and home fashion businesses.
- 2006** Opened the brand assortment store SHOO-LA-RUE to strengthen the store business.
- 2009** Launched the World Ecoromo Campaign\*2 to collect customers' unwanted clothing for reuse and recycling.
- 2010** Started the WORLD Premium Club reward point service, which can be used both at World's directly managed stores and at its online shops.
- 2011** Established Fashion-Co-Lab. Co., Ltd. to develop a new e-commerce platform business.

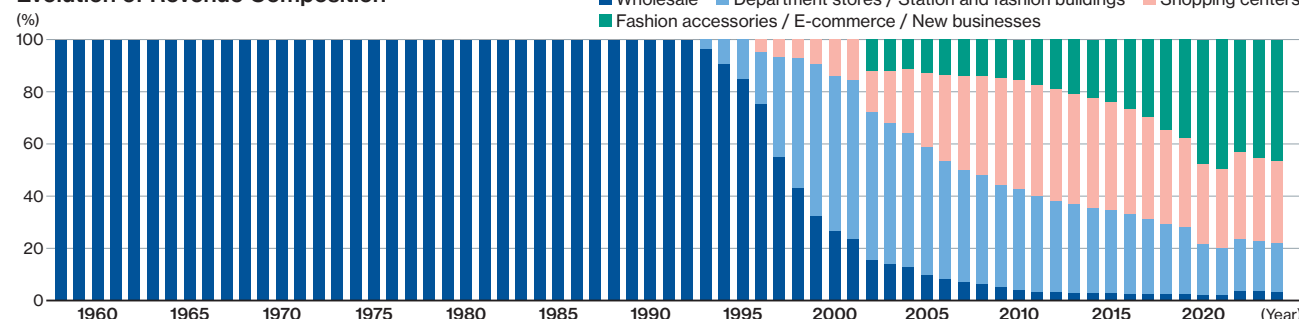
### 4th Founding: 2017

#### Toward the Establishment of the WORLD Fashion Ecosystem

Amid the rapid changes in consumer purchasing behavior driven in large part by the maturation and digitalization of the apparel market in Japan, World transitioned to a business holding company structure in 2017 to achieve lasting growth. We also announced the WORLD Fashion Ecosystem, expanding our SPARCS Vision into the lifestyle and circular economy areas to create a fashion industry free of losses and waste. Through updates to existing businesses and the development of next-generation business models, we continue to generate new value.

- 2017** Transitioned to a business holding company structure with World Co., Ltd. as the holding company. Bolstered the Group's lifestyle business with the addition of Asplund Co., Ltd., an importer, retailer, and wholesaler of products such as furniture and household goods.  
Established the fund management company W&D Investment Design Co., Ltd. with Development Bank of Japan Inc. and jointly set up the W&D Design Fund, which specializes in the fashion business.
- 2018** Added Tin Pan Alley Co., Ltd., which operates stores specializing in pre-owned apparel from select brands, to the Group to expand into the business domain of secondary distribution.  
Relisted on the First Section of the Tokyo Stock Exchange.
- 2019** Added Kobe Leather Cloth Co., Ltd., a general shoe trading company, to the Group.  
Acquired shares in Narumiya International Co., Ltd., a core company in the fashion market for children and teens.

Evolution of Revenue Composition





# STRENGTHS

## Adapting to Change – Our Strength

### Adapting to Market Changes through Self-Transformation

To maximize customer satisfaction, World constantly challenges itself to undergo new transformations by leveraging its analytical skills to anticipate market changes and its flexible thinking and execution capabilities. The relentless pursuit of transformation, which is embedded in our DNA, is the source of our strength.

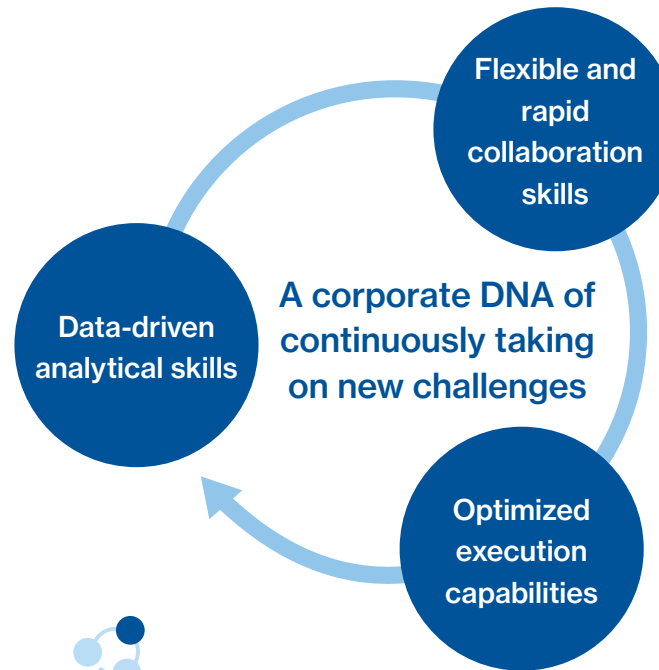


### Data-Driven Analytical Skills

World has remained committed to management that is not constrained by existing customs and general theories. The source of our growth lies not only in our sensibility to fashion but also in our scientific approach to apparel. By analyzing data collected through various methods, including information gained from stores, we have projected market and customer trends and continually strategized our next moves. The practice of each person independently checking ledgers to achieve our goals is deeply ingrained in our culture. This analytics-driven decision-making is a strength that makes us unique.

#### Types of Capital Required

<b>Human capital</b>	Ability to offer fresh perspectives and creative ideas Ability to identify challenges based on data
<b>Intellectual capital</b>	Diverse analytic and customer data, reflecting a track record of tackling numerous challenges
<b>Social and relational capital</b>	Customer networks maintained through robust brand management



### Flexible and Rapid Collaboration Skills

World brings data-driven ideas to life as one team. In the fashion industry, where trends and needs are constantly evolving, the ability to provide innovative proposals is essential to remain the preferred choice of customers. We understand the unique characteristics of this industry and maintain a healthy sense of urgency, responding swiftly to changes while achieving our goals through organizational collaboration. Uniting the strengths of different brands and organizations – our “collaboration skills” – is our core strength.

#### Types of Capital Required

<b>Human capital</b>	Teamwork honed in the apparel industry, which is notable for its fast-changing trends; a culture that embraces and encourages challenges
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### Optimized Execution Capabilities

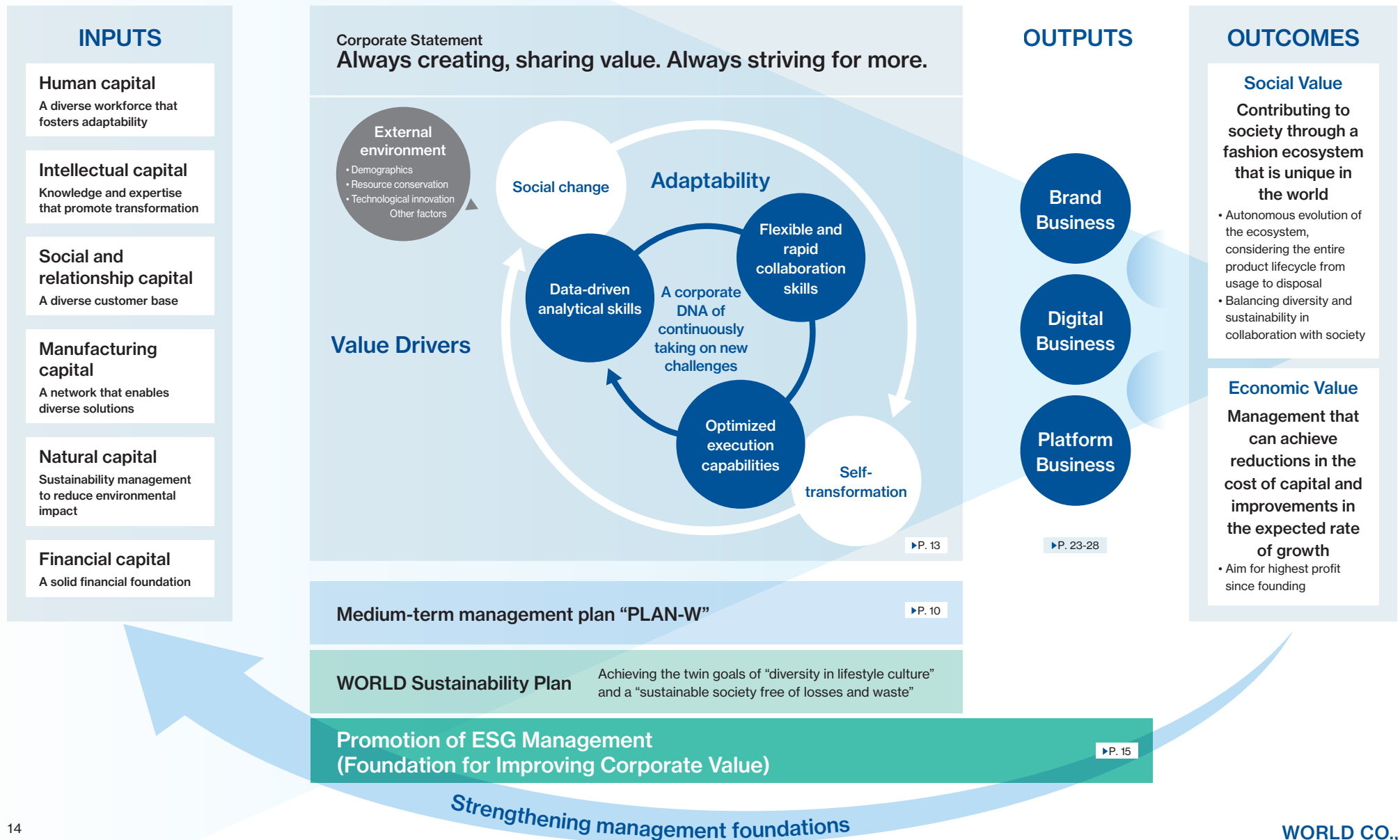
The fashion industry has gone through numerous transformations over the years. To keep up with these trends, World transitioned from consignment sales around the time of its founding to a purchase-based system, developed the Only Shop system suitable for specialty stores, and thereafter expanded and evolved its sales channels, navigating the market environment during the COVID-19 pandemic. However, we have viewed each change and adversity as an opportunity and strove to find optimal solutions. We leverage the execution capabilities we have accumulated through these efforts to tackle our next challenges, turning ideas into customer value.

#### Types of Capital Required

<b>Human capital</b>	The drive to continuously take on new challenges
<b>Intellectual capital</b>	Knowledge and expertise honed by overcoming the difficulties inherent in the apparel industry – namely, low barriers to entry, a rapidly changing industry, and diversifying needs
<b>Social and relational capital</b>	Various partner networks within the supply chain

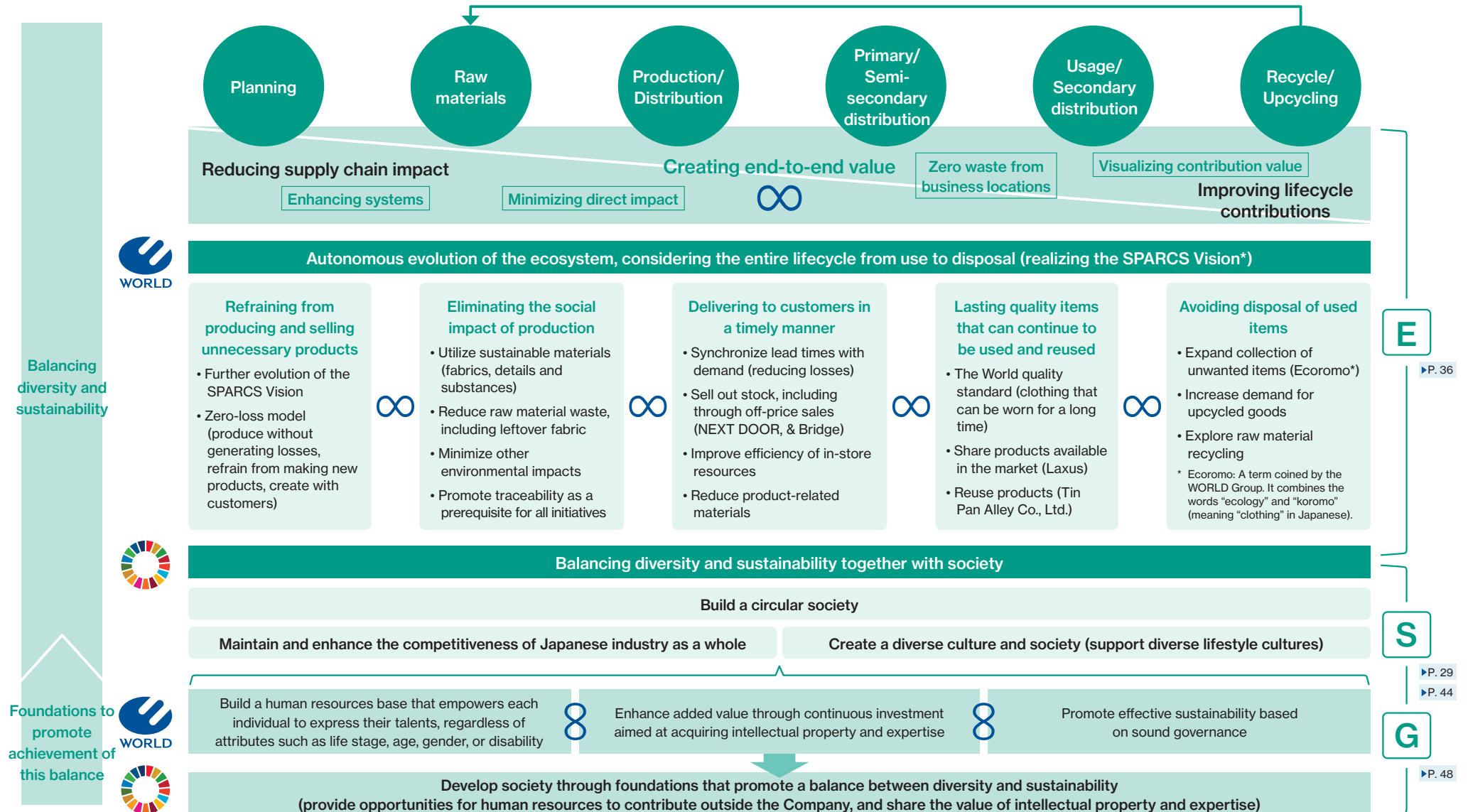
# Value Creation Process

Pursuit of a Fashion Industry Free of Losses and Waste



## Overview of ESG Management

## Contributing to Diversity and Sustainability in the Fashion Industry through the Ecosystem Created by the WORLD Group



## Addressing Issues in the Fashion Industry while Driving Business Growth

**RAGTAG Leading the Expansion of the Secondary Distribution Market****Social Issue****Environmental Impact of Clothing Disposal and Incineration**

The environmental impact of the fashion industry has become a significant global issue. One factor that has contributed to this problem is the increase in the volume of discarded clothing driven by shorter trend cycles. According to a survey conducted by the Ministry of the Environment in FY2022, individuals discard an average of about 15 clothing items per year. Of these, only about 34% are reused or recycled, while the remaining 66% are treated as waste. Annually, 445,000 tons – or 1,200 tons per day – of clothing are incinerated or sent to landfills.

**Clothing Consumption and Usage per Person (Annual Average)**

FY2022 Survey

Clothing Purchased	Clothing Discarded	Unused Clothing
Approx.	Approx.	Approx.
<b>18</b>	<b>15</b>	<b>35</b>
items	items	items

\* Source: Ministry of the Environment  
[https://www.env.go.jp/policy/sustainable\\_fashion/](https://www.env.go.jp/policy/sustainable_fashion/)  
 (available in Japanese only)

**Initiative to Address the Issue**

To tackle this issue, the WORLD Group is promoting circular businesses centered on “refraining from making new products.” RAGTAG, which operates stores specializing in pre-owned apparel from designer brands, is leading the establishment of a circular society by making “secondary distribution” more accessible to customers mainly through stores in major cities nationwide. This effort helps foster an ethical mindset of “continuing to use quality products.”

In March 2024, RAGTAG took its first step overseas by opening a pop-up store in Bangkok, Thailand, where demand for secondary distribution is growing. In May of the same year, it also began offering the buy-back program developed for RAGTAG stores to industry peers.



RAGTAG Harajuku Store (renovated in 2023)



RAGTAG warehouse (Kunitachi, Tokyo) supports annual purchases of 800,000 items

**Why the WORLD Group Excels in This Field****Experienced Buyers with Extensive Knowledge**

With an average of over 10 years of experience, RAGTAG's many buyers are knowledgeable about fashion and skilled in customer service, facilitating high-quality secondary distribution that preserves brand value.

**High Recognition Underpinned by Fashion Specialization**

RAGTAG is expanding the secondary distribution market by taking advantage of its strong reputation among fashion enthusiasts as “the go-to fashion chain for pre-owned designer apparel.”

**Broad Sales Channels and Online Operation System**

RAGTAG has established a system to efficiently manage its annual inventory of 800,000 unique items for reuse (“one item, one SKU”), which are sold both online (e-commerce) and offline (physical stores).

**Social Value**

Spreading and establishing an ethical mindset through the formation of a reuse market

Contributing to the development of a society in which quality products are used continuously

**Economic Value**

Rising demand reflects a growing ethical mindset, particularly among younger generations

Profit growth driven by rising inbound and overseas demand

## Contributing to the Development of Different and Regional Industries

# Shanghai Antenna Shop: Store and Spatial Design

### Next-Generation Consumer Behavior

**The younger generations, particularly Gen Z and millennials, increasingly seek products and experiences that embody their lifestyles and values**

In Japan and abroad, both Gen Z and millennials show a strong interest in ethical consumption, prioritizing sustainability and diversity. To meet these modern consumer demands, there is a need to develop appealing stores that offer sustainability-oriented products, special experiences, and a connection with local communities. In response, the WORLD Group has expanded its Platform Business, using its expertise to support store and spatial design across various industries overseas.

### Project Overview

World Platform Service Co., Ltd., which manages the WORLD Group's Platform Business and consulting services, collaborated with World Fashion (Shanghai) Co., Ltd. (Group member operating in China)<sup>\*1</sup> to provide the store and spatial design, and VMD<sup>\*2</sup> for a lifestyle-focused antenna shop operated by Sundiro Honda Motorcycle Co., Ltd. (hereinafter "Sundiro Honda").

For this development, the WORLD Group participated in areas such as branding and concept creation. Under the theme of "a safe, secure, comfortable, and enjoyable life with electric bicycles," the antenna shop integrates apparel, food, and electric bicycles to create a "clothing, food, and mobility" space, based on the features of electric bicycles as a next-generation mobility tool and the preferences of the target demographic.

<sup>\*1</sup> The Chinese subsidiary of World Platform Service Co., Ltd., which manufactures and sells furniture and fixtures, and operates an apparel business in the Chinese market

<sup>\*2</sup> VMD (visual merchandising): A marketing method that uses visual elements to attract customer attention



Design with an open facade to encourage wide entry  
(Sundiro Honda's "Shanghai Jing'an Store," opened in March 2023)

### Why the WORLD Group Excels in This Field

#### Fashion Sensibilities Unique to the WORLD Group

By leveraging its trend awareness, design capabilities, and implementation skills, the WORLD Group is able to create products and experiences with strong fashion sensibilities, which are reflected in its development of products, stores, and e-commerce sites.

#### Problem-Solving Expertise Honed by Operating Roughly 2,000 Retail Stores

Through managing various retail formats, the WORLD Group has accumulated extensive expertise in problem-solving, giving it the ability to address challenges faced by customers across diverse businesses and provide optimal solutions.

#### Expertise and Technology Beyond Consulting

The WORLD Group handles everything from production to inventory clearance in-house and has developed an extensive distribution network. Using the resulting expertise and technologies as our strength, we provide not only immediate solutions to issues but also contribute to the growth our customers' businesses through multi-faceted proposals.

### Social Value

Shifting focus from product consumption to experiences, offering proposals for abundant lifestyles

Creating a new culture

Contributing to the development of regional industry

### Economic Value

Creating business opportunities not only in the fashion industry but also in other sectors



# STRATEGIES TO ACHIEVE OUR VISION



## Vice President's Message

## VICE PRESIDENT'S MESSAGE

## Leading World's Continuous Self-Transformation from a Financial Perspective

I perform the role of CFO commonly seen in companies that adopt a chief officer system. In this capacity, I am responsible for overseeing the entire cycle of fundraising, investing, making repayments, and generating returns. At present, I am prioritizing the following two tasks.

The first task is the planning and execution of financial and capital strategies. As the driving force behind and officer supervising the financial cycle of the Company, I ensure that we raise funds in the optimal way and in the most suitable composition for our management conditions and business environment. I then allocate these funds to our operations and manage them with short-, medium-, and long-term horizons. The next steps involve generating returns and distributing them in a balanced manner toward growth investments, loan repayments, and shareholder returns. In other words, my responsibility is to safeguard and pursue the interests of the diverse stakeholders connected to the Company through fundraising and other financial activities.

If we take a look at the right side of our balance sheet (the funding side), shareholders sit at the bottom in the equity section. In the liabilities section above, we find interest-bearing debt in the form of borrowings, connecting us to financial institutions such as banks and leasing companies. We are also linked to business partners such as shopping malls through right-of-use liabilities for

our tenant rent and to textile trading companies and original equipment manufacturers (OEM) through trade payables, particularly those recorded when merchandise is procured. In addition, we hold temporary deposits for the government and employees in the form of income and other taxes, as well as employee benefits such as retirement benefits and bonuses. We pool these various sources of capital, each with different payment terms, and manage them as business assets on the left side of the balance sheet. It remains my conviction that the trust built through these financial connections is what links the satisfaction of all our stakeholders with the development of the Company and growth of our businesses.

The second task is making and executing investment decisions, including M&A. On the left side of the balance sheet (the investment side), we find assets with varying investment payback periods that typically get longer as we move down the list. For example, when we look at major investments in apparel brands, inventories – representing the four seasons of spring, summer, autumn, and winter – have a standard payback period of three months. Store facilities have a payback period of around two years that coincides with lease agreements. Investments in brand development or in companies through M&A typically have a recovery target of around five years. These assets are recorded under items



**Keiichi Nakabayashi**

Member of the Board,  
Executive Vice President  
and Executive Officer

such as “inventories,” “property, plant and equipment,” “intangible assets,” and “investment securities.” I am involved not only in the decision-making for investments in products, stores, and new businesses, but also in M&A, which often requires the longest time to realize returns. I am fully committed to this process, from the planning stage to execution and post-merger integration.

A long investment recovery period means that funds entrusted to us by our shareholders and other stakeholders will be immobilized, despite an increasingly unpredictable future and growing

uncertainty. For this reason, I engage in the entire process, from origination to execution and value improvement, ensuring that these valuable funds are allocated to long-term investments that yield maximum returns. Throughout the entire process starting from the selection of investment targets, I frequently discuss matters with President Suzuki in accordance with the Group's business portfolio strategy and other guidelines. During the research stage, I personally scrutinize the resources, expertise, and business plans of potential acquisitions, rigorously assessing the potential profitability that can be expected from such

## VICE PRESIDENT'S MESSAGE

investments. I develop investment decisions that also satisfy the outside members of the Board, who bring a wide range of professional expertise. After investments are executed, I follow up with organizational integration and operations to promote synergies.

The WORLD Group's M&A investment strategy supports the expansion of our Platform Business, broadens our brand portfolio, and fosters the development of new businesses, exemplified by circular services, all of which enhance our growth potential. In addition, through the revitalization and investment functions of W&D Investment Design Inc., a joint venture investment company with Development Bank of Japan Inc. (DBJ), we aim to contribute to the diversity and revitalization of Japan's entire fashion industry. Beyond the efforts to enhance financial value that I have discussed so far, I also engage in initiatives to increase non-financial value, including investments in human capital, as a member of the management team.

As I approach a career that spans roughly three decades, I look back on my first 10 years spent as a financial analyst at investment banks, during which I engaged in countless discussions with investors from around the world, each with diverse investment styles. In the following decade, I worked as a turnaround manager, becoming deeply involved in financial support and corporate restructuring for distressed companies. These positions in the frontlines of finance allowed me to experience the extremes of capitalism – namely, equity and debt – while working as both an outsider and insider across various companies, giving me the opportunity to learn from numerous executives. I have now been part of World's

management team for over 10 years, and I feel that my prior experiences have been immensely valuable in fulfilling my current role.

### Corporate DNA of Continuous Self-Transformation with Fashion at the Core

World's strength derives from its history of continuous self-transformation, constantly evolving its management and businesses ahead of changes in customer preferences and market trends since its founding. After starting out as a knitwear wholesaler, the Company made a major transition to an SPA<sup>1</sup> business model. In the retail sector, World embraced a multi-retail-format, multi-brand strategy, expanding its foundations by actively developing its operations to suit various sales channels and other customer touchpoints. At the same time, it focused on building a unique platform that integrates the entire supply chain from upstream to downstream operations, thereby enabling even smaller, diverse brands to maintain and enhance their competitiveness. Our platform approach integrates the multilayered distribution structure of the fashion business that also involves human labor by leveraging information systems. This approach is rooted in our SPARCS Vision<sup>2</sup>, which calls for turning losses into profit. Consequently, the subsequent expansion from the Platform Business to the Digital Business was a natural progression.

In April 2017, we transitioned to a holding company structure to respond more flexibly to intensifying competitive pressures. At the same time, we ramped up external sales of digital and platform services that are essential for operating our Brand Business. We launched initiatives to

cultivate and grow the B2B platform business – targeting corporate clients rather than individual customers – and the Digital Business as new earnings pillars. In the past, World primarily developed original brands, and this approach was recognized as our unique growth formula. Today, however, we supplement our missing expertise and resources through M&A. For example, our Digital Business includes the B2C circular business, a high-growth operation that was born from the integration of our business foundations with M&A strategies.

While we have incorporated M&A as a new approach, the essence of our corporate DNA – namely, continuous self-transformation – remains unchanged. We have simply evolved our methods to stay in tune with the prevailing times. This history of self-transformation, rooted in the fashion industry, underpins World's unique strength: a wide array of earnings pillars and growth opportunities that other companies do not possess. I believe it is my responsibility to consider how we will satisfy the financial conditions required to continue taking on challenges in these new growth stages, while also forging pathways for newly acquired companies to mutually enhance value.

### Enhancing Corporate Value through Optimal Resource Allocation across the Group

World's business portfolio comprises three business segments: the Brand Business, the Digital Business, and the Platform Business. From an external perspective, the perception of the

Company is dominated by the Brand Business, and it may be difficult to visualize our B2B and other activities within the Digital and Platform Businesses. However, the systems and expertise we have cultivated in the fashion industry thus far are valuable assets, and we no longer apply them solely to our own brands; instead, we have extended them to third parties, including peers within our industry and companies in other sectors. As a result, our B2B external sales operations have steadily grown into a new business pillar for the Company.

Even within our Brand Business – often the first thing that comes to mind when World is mentioned – the fact that we have built a larger-than-expected presence in apparel brands beyond department store SPAs, as well as in lifestyle brands that offer lifestyle products and fashion accessories, is likely not sufficiently recognized. Furthermore, we are often regarded as a “comprehensive apparel manufacturer” and thus perceived as a company solely focused on producing and selling new products, but this is not the case at all. For example, Tin Pan Alley Co., Ltd., which operates RAGTAG stores specializing in pre-owned designer apparel, is turning sustainability into a growth driver through the circular business of reselling pre-owned products. In other words, in our circular businesses, we are no longer creating new products but are instead creating value through reuse.

A key characteristic of the WORLD Group is that our diverse businesses and brands use a common platform, supported by digital technology, to enhance profitability. Under the Group umbrella, these businesses compete with, collaborate with, and complement each other. By continuously

<sup>1</sup> SPA (Specialty store retailer of Private label Apparel): A business model that combines manufacturing and retail operations

<sup>2</sup> SPARCS Vision: SPARCS is an acronym for “Super,” “Production,” “Apparel,” “Retail,” and “Customer Satisfaction.” It refers to a business model that transforms losses and waste into value through integrated operations ranging from retail to production with a customer-centric perspective.



## VICE PRESIDENT'S MESSAGE

producing new growth drivers, we pursue sustainable expansion for the entire Group. We excel as a conglomerate of businesses with vastly different investment recovery cycles, asset utilization (invested capital), and earnings structures. However, we recognize that this complexity may make it difficult for stakeholders to fully grasp our business models and, at times, could invite a “conglomerate discount.” To address this, we will deliver steady results across the entire Group and provide clear explanations to help stakeholders better understand the business models of each business segment.

In addition, we are preparing to address key questions such as “How do we build a fully optimized portfolio that allocates resources like capital and talent across entirely different businesses?” and “What is the ideal capital allocation strategy to ensure sustainable, value-creating growth for the WORLD Group?” We are also taking steps to adopt profitability and growth potential as common performance metrics

by the end of the next fiscal year, allowing us to set targets and compare progress. These metrics will take into account the unique characteristics of each business and be fully embraced by the managers of each business. In our next medium-term management plan, we will aim to prioritize and flexibly allocate resources to businesses poised to achieve sustainable growth – where the return on invested capital (ROIC) exceeds the weighted average cost of capital (WACC)<sup>3</sup> – thereby further enhancing the Group's overall growth potential and corporate value.

### Achieving the Goals in Medium-Term Management Plan “PLAN-W” and Meeting Stakeholder Expectations

We are currently in the second year of our medium-term management plan “PLAN-W,” which marks the halfway point. Upon successfully completing the financial and capital strategies

outlined in PLAN-W, one of the outcomes we aim to achieve is to rapidly break away from a price-to-book ratio (PBR)<sup>4</sup> below 1x. In addition, we are working toward our medium- to long-term goal of evolving into a corporate group with sufficient profitability and growth potential to achieve a PBR of 2x, on par with Western listed companies. According to corporate finance theory, as long as the clean surplus relationship holds, PBR can be represented by the equation shown in the figure on this page. To achieve a PBR above 1x, the numerator – return on equity (ROE) – must surpass the cost of equity (COE), resulting in a positive equity spread, with high profitability as a prerequisite. At the same time, we can infer that the PBR rises as the denominator – which corresponds to the inverse of PER<sup>5</sup>, an indicator of growth potential – becomes smaller.

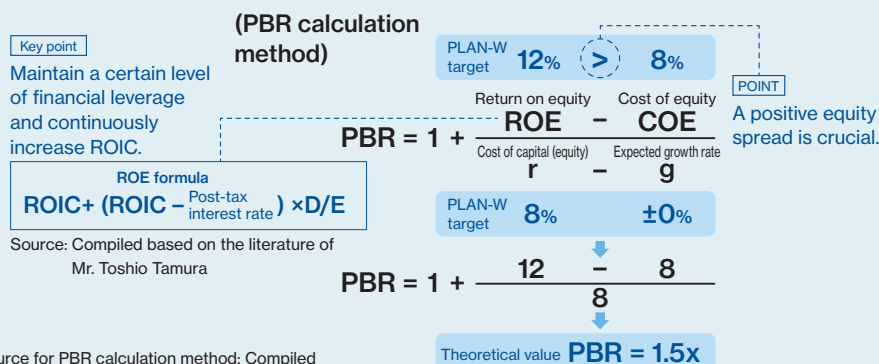
In the first phase, we have confirmed that, if we steadily achieve the earnings targets set out in PLAN-W, the equity spread will indeed turn positive, supported by profit growth that outpaces the increase in equity. In the second phase, we are working to reduce COE by enhancing the accuracy of our earnings and dividend forecasts and by pursuing an optimal shareholder composition, with the ultimate aim of reducing our  $\beta$  (volatility). In the third phase, we will establish a value-creating growth model that ensures our ROIC consistently exceeds WACC, allowing us to pursue a full-fledged growth strategy and produce results in our next medium-term management plan. At present, we are engaged in second-phase initiatives while steadily preparing for the third phase. This includes calculating ROIC and WACC for each business segment and conducting various growth experiments in preparation for trial adoption next fiscal year.

As a fundamental principle of our financial and capital strategy, we have consistently pursued “balanced, sustainable improvements across the three areas of profit growth, financial soundness,

and shareholder returns.” In the current PLAN-W, we have prioritized restoring financial soundness, as demonstrated by the phased refinancing of a ¥15 billion perpetual subordinated loan secured during the COVID-19 pandemic. We always take into account financial soundness when investing in growth and returning profits to shareholders. However, our increased profitability has expanded our capacity for both investments and returns. Therefore, we plan to steadily increase investments and returns for the foreseeable future. In the next medium-term management plan, we intend to emphasize significant expansion measures for both growth investments and shareholder returns, making value improvement through bold capital allocation our top priority. I would like to achieve a smooth transition toward this goal.

By the halfway point of our next medium-term management plan (in three years), we expect to reach our targets for capital efficiency and financial soundness. Specifically, we are aiming for ROE of 12% or higher, ROIC of 8.5% or higher, and a net D/E ratio of 0.5x or less. We also believe that sustainable growth in core operating profit, with a target CAGR of over 8% as an indicator of profitability, is attainable. To achieve these goals, it is essential that we fully implement PLAN-W and operate as a company that consistently fulfills its commitments. We will strive to ensure that the seeds we have sown through new businesses and M&A initiatives take root and flourish, while staying true to our fundamental strength of continuous self-transformation. Ultimately, we are determined to meet and exceed the expectations of all our stakeholders – including shareholders, financial institutions, business partners, employees, and customers – who continue to support us.

## Key to Achieving a PBR Above 1x: Improving ROE and Reducing COE



Source for PBR calculation method: Compiled based on book by Mr. Ryohei Yanagi

\*3 ROIC: Return on invested capital

WACC: Weighted average cost of capital

\*4 PBR: Price-to-book ratio

\*5 PER: Price-to-earnings ratio

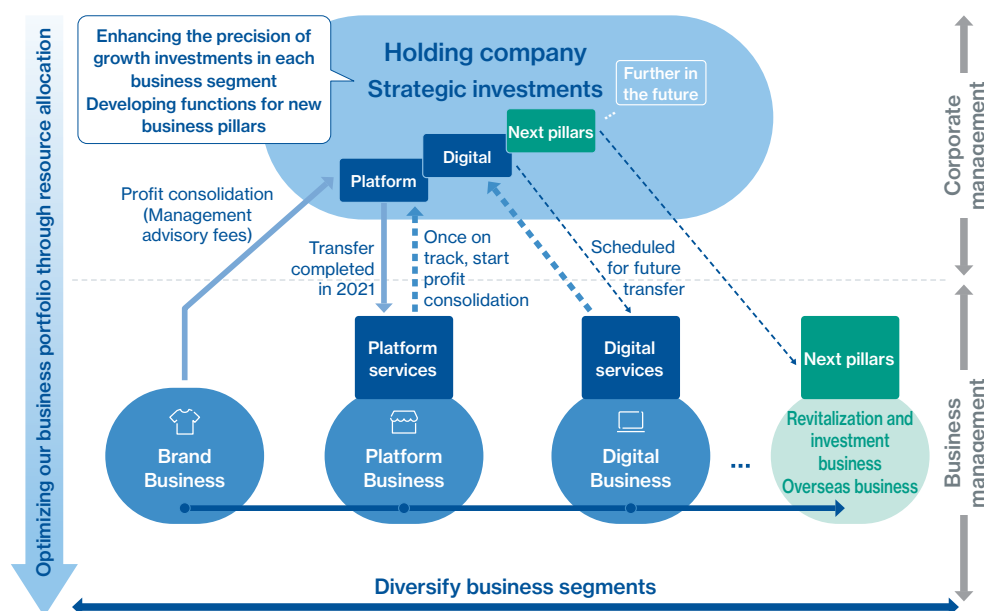
## Business Portfolio Strategy

The WORLD Group constantly evolves its corporate organization to ensure it embodies the corporate statement: "Always creating, sharing value. Always striving for more."

As we expanded the Brand Business under our SPARCS Vision<sup>\*1</sup> in the past, we developed and strengthened capabilities in production, sales, and various other business service functions.

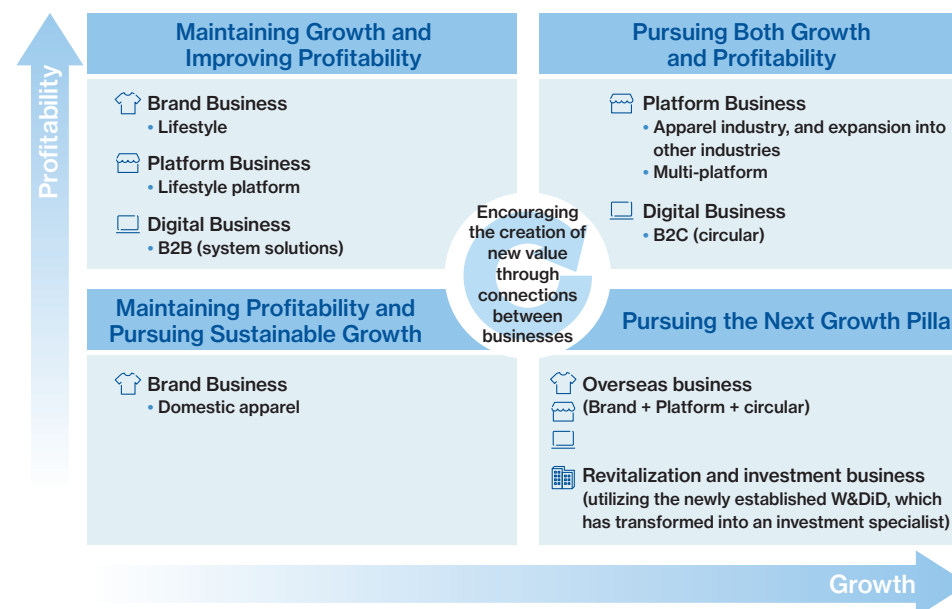
With the transition to a holding company structure in 2017, we accelerated the monetization of these functions in the form of the Platform Business and set up the Platform Business Promotion Office within the holding company. We consolidated and allocated a certain amount of profit from the existing Brand Business to pursue strategic investment and develop functions, thereby promoting business growth. As a result, the Platform Business successfully commercialized solutions at an early stage, strengthening external sales in addition to sales within the Group. The functions of the Promotion Office were also transferred from the holding company to World Platform Service Co., Ltd., allowing the Platform Business to evolve into the fully independent business it is today.

Similarly, the Digital Business established a division that promotes its strategic growth within the holding company. Furthermore, the revitalization and investment business and the overseas business, which could become the next pillars of the Group's operations, launched activities to establish and expand their operations.



In other words, the WORLD Group's corporate organization is designed to foster a comprehensive business development cycle under which a certain amount of profits from established, profitable businesses are reinvested strategically to develop the next independent businesses for the Group.

The Group has formulated the medium-term management plan "PLAN-W," which spans the three years starting from FY02/24. The plan aims to realize sustainable growth for the Group by evolving its business portfolio through the operation of a diverse range of unique businesses beyond the Brand business. In FY02/24, the first year of the plan that was positioned as a period to "rekindle growth," we achieved our targets across all profit categories. Going forward, we will continue to tirelessly improve operations in each business while further strengthening fundamental competitiveness in each business through structural reforms, with the aim of ensuring we complete the goals of PLAN-W. We set the following targets as management indicators for growth, profitability, and financial soundness in the plan: core operating profit CAGR of 8%, ROE of 12.0% or higher and ROIC of 8.5% or higher<sup>\*2</sup>, and net D/E ratio of 0.5x or less<sup>\*3</sup>. In this way, we aim to increase corporate value.



\*1 SPARCS Vision: Please refer to the note on [P. 4](#)

\*2 ROIC is calculated as "NOPAT ÷ Invested capital," with "NOPAT" defined as "Operating profit - (Income tax expense + Profit attributable to non-controlling interests)," and "Invested capital" as "Average shareholders' equity for the beginning and end of period + Net interest-bearing liabilities (Borrowings + Finance lease liabilities under Japanese GAAP - Cash and cash equivalents)."

\*3 The net D/E ratio is calculated as "Interest-bearing liabilities at end of period (Borrowings + Finance lease liabilities under Japanese GAAP - Cash and cash equivalents) ÷ Total equity attributable to owners of parent at end of period."



## Brand Business



### Business Overview

In the Brand Business, which is the core business of the WORLD Group, we operate a diverse range of brands catering to various age groups and fashion preferences. Our brands encompass not only apparel for women, men, and children, but also accessories, jewelry, and home decor, offering attractive products that meet customer needs. We expand our brand portfolio by combining brand development with our store development capabilities. In Japan, we operate stores in various commercial facilities such as department stores, station buildings, fashion buildings, and shopping centers. Overseas, we have a presence in Taiwan and Thailand.

### Strengths

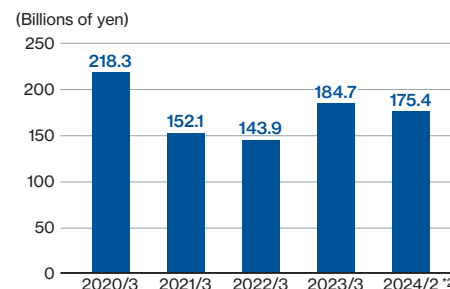
- Managed brand portfolio<sup>\*1</sup> of 66 brands that cater to a wide range of consumers across gender, age groups, fashion preferences, price ranges, and distribution channels
- More than 2,200 stores nationwide and an online store serving as distribution channels
- Store network in overseas markets, including Taiwan and Thailand
- Technological capability to produce high-quality products and supply them in a timely manner, thanks to operation of several in-house factories in Japan

### Recognition of Present Landscape

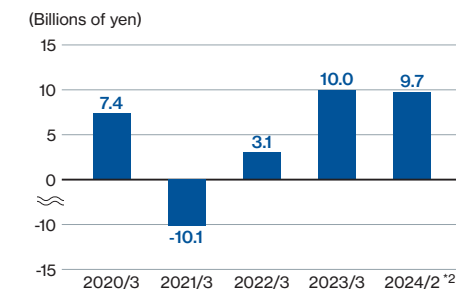
- Rising costs of product development and production amid soaring prices of raw materials and labor
- Foreign exchange fluctuation risk
- Falling demand for winter clothing that protects against cold temperatures due to global warming, leading to sluggish sales of heavy outerwear
- Diversifying demand for business apparel, including suits, due to work style reforms and other social changes
- Qualitative development and strengthening of e-commerce sites after the COVID-19 pandemic
- Growing influence of social media on purchasing behavior, including information shared on social media platforms and by influencers

### FY02/24: Progress and Achievements

#### ► Revenue



#### ► Core operating profit



<sup>\*2</sup> FY02/24 results reflect an irregular 11-month accounting period due to a change in the fiscal year-end.

In the Brand Business, we flexibly adjust our brand portfolio strategy to strike a balance between growth and profitability from an optimized overall segment perspective.

For middle-upper brands sold primarily in department stores, we develop differentiated products with high added value while maintaining the unique characteristics of each brand, and we adapt flexibly to changes in lifestyle. For middle-lower brands sold chiefly in shopping centers, we concentrate on further shortening the product lifecycle – from procurement to the end of the sales period – without being constrained by traditional large seasonal divisions such as spring/summer and autumn/winter. In addition, we realize synergies by integrating business operations with in-house factories and direct imports. In our lifestyle brands, under the concept of “Enhancing today’s living – more stylish, more enjoyable!,” we strive to expand support from our customers by proposing lifestyle-related products such as home goods and fashion accessories centered around familiar apparel, food, and living themes. Meanwhile, our investment group works to promote growth strategies, including by pursuing synergies through the introduction of platforms and enhancing and establishing earnings structures.

As a result of these efforts, in FY02/24, the Brand Business experienced a distinct recovery and growth in earnings from retail channels as customer traffic returned to physical stores, with profit improvements particularly notable in the middle-lower apparel brands.

<sup>\*1</sup> Brand portfolio: Please refer to the figure on [P. 24](#)

## Three Core Strategies

### 1 Expansion of Brand Portfolio

#### Progress

We have accelerated the expansion of high-priced brands centered on luxury and upper brands.

Feels International Co., Ltd. has developed the AUBRIOT brand for department stores, while Strasburgo Co., Ltd. is receiving a large number of store opening requests for its CYCLAS brand, which is expected to grow further.

#### Future initiatives

We will continue to develop and prepare for new store formats catering to the lower-price segment, including roadside stores.

We will expand our brand portfolio in terms of price range and sales channels.

### 2 Multi-Channel Store Expansion

#### Progress

We started rolling out our prototype OMO\* store, THE GALLERY WORLD ONLINE STORE.

\*OMO (Online Merges with Offline): A marketing strategy that uses online (Internet-based) approaches to drive customers to offline locations (physical stores)

#### Future initiatives

We will improve the service that allows customers to pick up products ordered online at physical stores.

We will improve services driven by OMO data.

We will develop products for multi-channel stores, enhance store functions, and develop and reform sales floor formats for existing businesses.

### 3 Continuous Brand Renewals

#### Progress

We developed and launched two brands targeted at customers in their 20s and 30s.

- GALLEST
- CODE A

#### Future initiatives

We will continue to develop new lifestyle store formats and prepare for their launch.

### ► Brand Portfolio (Key Brands)

Sales channels	Department stores		Station buildings and fashion buildings		Shopping centers				Roadside stores
	Urban centers	Regional areas	Urban centers	Regional areas	SRSC	RSC	CSC	NSC	
Price segments									
Luxury	CYCLAS AUBRIOT THE SECRETCLOSET STRASBURGO				Super regional shopping centers	Regional shopping centers	Community shopping centers	Neighborhood shopping centers	
Upper	HIROFU HIROKO HAYASHI	CORDIER adabat							
Middle-upper	COCOSHNIK TAKEO KIKUCHI	Reflect							
Middle	COUP DE CHANCE	INDIVI							
Middle-middle	Dessin LAURA ASHLEY								
Middle-lower									
Lower									



## Digital Business



### Business Overview

In the Digital Business, the WORLD Group engages in B2B businesses, mainly developing and operating its own-brand e-commerce mall, while also offering various services to third parties, ranging from contracted management of e-commerce malls to digital solutions. In addition, we operate B2C businesses that aim to support a circular economy through reuse services, sharing services, and off-price stores.

### Strengths

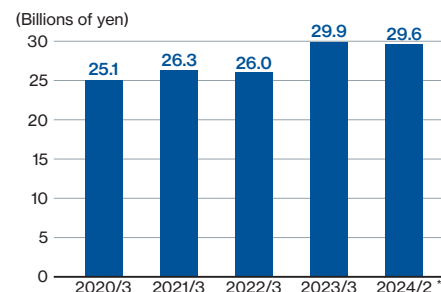
- Establishment of digital platforms that cover all operational areas necessary for the fashion business
- Expertise in streamlining logistics and store operations through systems, which is essential to the workflow in the apparel business
- Expertise in circular businesses that incorporate frameworks for a circular economy
- Expertise to realize a circular economy, including by determining appropriate prices for reuse and resale based on a database

### Recognition of Present Landscape

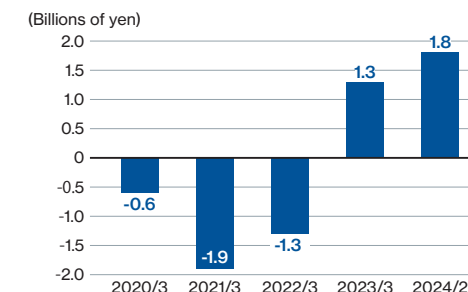
- Expectations for digital solutions amid falling product sales volumes due to a declining domestic population and societal aging
- Changes in lifestyles and values driven by digitalization and the COVID-19 pandemic, and associated rapid changes in purchasing behavior
- Intensifying competition as companies from other industries, foreign companies, and other rivals enter the apparel market
- Growth of the reuse market driven by changes in consumer behavior
- Liberalizing and energizing impact of the spread of e-commerce on cross-border consumption
- Growing circular economy driven by cost-consciousness and the need for a circular society
- Rising demand for sharing services and subscriptions as focus shifts from ownership to usage (enjoying value through use rather than ownership)

### FY02/24: Progress and Achievements

#### ► Revenue



#### ► Core operating profit



\* FY02/24 results reflect an irregular 11-month accounting period due to a change in the fiscal year-end.

In the Digital Business, which mainly encompasses B2B (system solutions) and B2C (circular) services, we aim to accelerate growth through a strategy of selection and concentration.

In B2B (system solutions) services, we operate the WORLD ONLINE STORE, a direct-to-consumer fashion e-commerce site that primarily sells our own-brand products. We also develop and operate e-commerce platforms for other companies as part of our contracted e-commerce operation services. In anticipation of the so-called “2024 Crisis in the Logistics Sector,” we are not only working to curb logistics costs within the Group and update our core systems, but also taking steps toward providing integrated services to third parties, ranging from business design and consulting to digital marketing operations, including the deployment of inventory control systems.

In B2C (circular) services, we pursue a growth strategy through the selection and concentration of businesses that have been experimenting with various themes. Laxus Technologies Inc. operates a subscription-based rental service specializing in branded bags. It also sells to customers who wish to purchase products, thereby expanding the circular value chain. Tin Pan Alley Co., Ltd., which operates RAGTAG stores that specialize in pre-owned apparel from designer brands, is pursuing growth through its OMO strategy that leverages both physical stores and e-commerce for sourcing and sales. In addition, it has launched the newly developed casual brand “usebowl” and is promoting business collaboration with the off-price store brand “& Bridge.”

Thanks to these efforts, our focus on circular services in the B2C business already paid early dividends in FY02/24, with RAGTAG turning in strong performance, partly supported by inbound demand.

## Three Core Strategies

### 1 Focus on Circular Economy

#### Progress

We have achieved growth for RAGTAG, a chain of pre-owned clothing stores specializing in designer brand apparel, and Lexus, a rental business for luxury branded bags.

#### Future initiatives

We will make the operating company of the off-price stores “& Bridge” a subsidiary and strengthen collaboration.

We will advance Lexus to its next stage.

We will accelerate overseas expansion and domestic store openings for RAGTAG.

### 2 Focus on Solutions Business

#### Progress

We have launched Maison AI, a generative AI designed specifically for the fashion industry.

#### Future initiatives

We will offer highly accurate solutions that integrate cutting-edge technology.

We will expand beyond systems to include contracted project management, IT and business consulting (such as business design), and digital marketing operation.

We will expand our solution offerings in secondary distribution, including by offering the buy-back program developed by RAGTAG to other companies.

### 3 Strengthen Management Foundations

#### Progress

We have introduced management accounting systems, driving progress in cost reforms.

We worked to improve management by increasing the precision of earnings controls and closely examining the content of contracts with business partners and decision-making processes for B2B services.

#### Future initiatives

We will complete earnings structure reforms.

We will rebuild systems to enhance in-house QCD\*, striving to achieve win-win relationships with clients.

\*1 QCD: Quality, cost, and delivery

### ► Accelerating Growth through Selection and Concentration

#### 1 Strategy: Focus on circular economy services



#### 2 Strategy: Concentrate on solutions business



#### 3 Strengthen management foundations to increase profitability from the business development phase

## Platform Business



### Business Overview

In the Platform Business, we leverage the extensive expertise accumulated by the WORLD Group in the 60 years since our founding to offer new services to external companies, going beyond the fashion industry. By actively offering our platforms, we aim to contribute to solving the broader challenges of the fashion industry while working to expand into new business areas related to clothing, food, housing, and leisure.

### Strengths

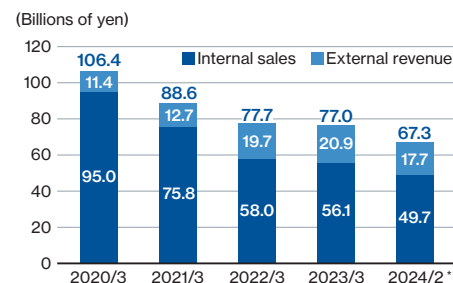
- Expertise in developing various business formats and brands, along with insights gained from business operations
- Ability to provide reassurance to customers, backed by production capabilities and high-quality standards as an OEM partner
- Provision of one-stop solutions necessary to manage a business across various domains, including shared services in areas such as production, sales, store design, and administrative agency services
- Provision of systems that take advantage of customer attraction capabilities and leverage accumulated databases (e.g., outlets and large-scale “family sale” events geared toward stakeholders)

### Recognition of Present Landscape

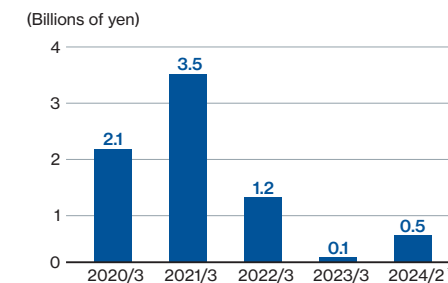
- Need to use external resources due to soaring costs of raw materials and labor
- Need to use external resources to rapidly launch new businesses
- Demand for one-stop support services in different industries – not only in the fashion industry
- Few players that can be called on to help complement necessary resources for apparel businesses, or that can supply such resources

### FY02/24: Progress and Achievements

#### ► Revenue



#### ► Core operating profit



\* FY02/24 results reflect an irregular 11-month accounting period due to a change in the fiscal year-end.

In the Platform Business, the WORLD Group continues to open up platforms – that reflect its broad expertise and systems accumulated over the years – to external companies. In this way, we strive to transcend industry boundaries and expand into new business areas.

Our intermediate holding company, World Platform Service Co., Ltd., possesses the business management functions required to maintain the earnings model of the Platform Business, as well as marketing functions for external companies (clients). By combining the full range of expertise and systems of each platform, it proposes and provides one-stop services to best meet our clients' needs.

World Production Partners Co., Ltd., which functions as a production platform, leverages its own trading functions to build a direct trade framework, providing guidance and support to improve productivity at the Group's manufacturing subsidiaries. It also aims to strengthen contracted development and manufacturing for products of other apparel companies (OEM<sup>\*1</sup> and ODM<sup>\*2</sup> business) at the factories of subsidiaries such as Idiom Co., Ltd. and La Mode Co., Ltd., both trading companies specializing in external sales.

World Store Partners Co., Ltd. functions as a sales platform. It operates the NEXT DOOR outlet stores, which are essential for the final liquidation of product inventory, and organizes “family sale” events geared toward stakeholders and other initiatives. It is also steadily expanding external sales services such as sales agency services for various industries and business formats, including other companies.

Aside from these production and sales platforms focused on apparel, Asplund Co., Ltd. helps expand the service lines and client base of the Platform Business by engaging in the creation of spaces, manufacturing and selling fixtures and equipment (construction), as well as wholesaling and providing contracted services in lifestyle areas such as furniture and home goods.

In FY02/24, we successfully improved the earnings from the Platform Business primarily by securing gross margins through changes in trading conditions in response to the weak yen and other factors, and by pursuing external sales orders with a focus on profitability per project.

\*1 OEM (Original Equipment Manufacturing): Manufacturing products under a third-party brand

\*2 ODM (Original Design Manufacturing): Designing and manufacturing products under a client's brand



## Three Core Strategies

### 1 One-Stop Solutions

#### Progress

We have launched account management services for clients.

#### Future initiatives

We will establish a system for talent development aimed at strengthening account managers to ensure they can become true partners to clients.

### 2 Problem-Solving Sales Approach

#### Progress

We have completed the development of a sales system based on industry verticals.

#### Future initiatives

We will strengthen our sales team, analyze our B2B sales process scientifically, and evolve toward a competitive structure through a systematic approach.

### 3 Customer-Centric Reorganization of Products and Services

#### Progress

We are promoting the plan-do-check-act (PDCA) cycle to enhance our services.

#### Future initiatives

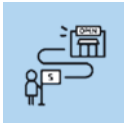
We will develop offerings in high demand among customers and strategically expand our service lines.

We will review our earnings model, clarify earnings drivers, and systematize lifetime value (LTV\*) management by account.

\* LTV (Life Time Value): The profit gained from a customer over his or her lifetime

### ► Potential Capabilities of Our Platform Business

#### Seven Areas, 18 Solutions Ability to Propose Solutions in a Diverse Range of Areas



#### Launching Stores

- Store development
- Opening and operation of pop-up stores
- Franchise business



#### Creating Attractive Spaces

- Branding
- Space design and store layout
- Manufacturing and selling furniture, fixtures, and equipment
- Wholesaling of, and OEM for furniture and accessories



#### Selling and Procuring Products

- Sales agency operations
- Wholesale agency services for apparel and accessories
- Wholesale channel development agency service for overseas markets
- Support for companies entering the Japanese market
- Sale event planning and operation



#### Training Human Resources

- Training and education



#### Manufacturing Products

- Uniform development and apparel ODM
- OEM for women's shoes and wholesaling of shoe materials



#### Improving Efficiency

- Consulting to reduce purchasing costs
- Accounting and payroll agency services



#### Resolving Issues through Digitalization

- Providing e-commerce, logistics, distribution, and business intelligence solutions



New business formats  
development  
(total solutions)

Package design

Uniforms

Production of  
furniture

Hotel spaces

System  
provision

Explore various  
case studies

World Platform Service  
Co., Ltd. (See language  
menu for English)



## Foundations to Promote Achievement of Our Vision

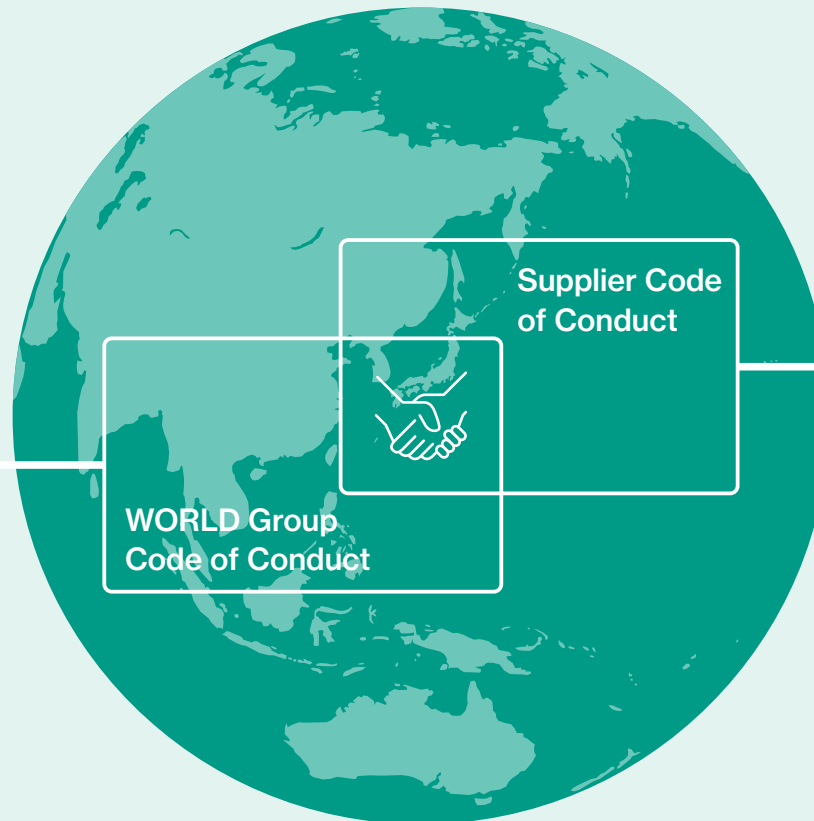
Since its founding, the WORLD Group has placed great value on contributing to lifestyle culture and earning the trust of society. Going forward, we aim to make further strides in achieving the twin goals of diversity in lifestyle culture and a sustainable society free of losses and waste, working alongside stakeholders to advance sustainability initiatives.

## WORLD Group Code of Conduct

To balance diversity and sustainability in fashion, we have established the “WORLD Group Code of Conduct” and provide regular training to all Group employees. In addition, to build a sustainable supply chain, we have formulated the “Supplier Code of Conduct,” aiming for 100% compliance by 2027.

### Commitments as a Group

1. Stance on customers
2. Stance on employees
3. Stance on suppliers
4. Stance on shareholders
5. Stance on society and government
6. Stance on the environment
7. Stance on the Company
8. Stance on the international community
9. Stance on human rights
10. Stance on crisis management



### Joint Initiatives with Suppliers

- Establish the Supplier Code of Conduct and build new partnerships with suppliers
- Hold briefings and other information sessions to foster understanding and compliance among suppliers, and promote related initiatives
- Monitor supplier compliance with the Supplier Code of Conduct
- Conduct improvement activities with suppliers to build a sustainable supply chain

## Human Capital Management

### Guidelines Underpinning Initiatives to Achieve Our Vision

Under the following guidelines, the WORLD Group promotes initiatives that allow individuals to maximize their unique capabilities and grow, regardless of attributes such as life stage, age, gender, or disability.

#### WORLD Group's Human Resources Development Guidelines

- **We view employee growth as an organizational responsibility.**  
To enhance employee value, draw out their maximum potential, and thereby boost corporate value, we promote two key initiatives unique to our Group, which operates a diverse range of business models: (1) establishing multiple career paths and (2) implementing continuous learning and development programs accessible to everyone.
- **We are also committed to developing and improving an environment in which all employees – including women, mid-career hires, and individuals with disabilities – can work with peace of mind and thrive.**

#### Internal Environment Guidelines

- **Safe and Healthy Working Environment**  
We hold a Group-wide Safety and Health Committee meeting every month to improve the work environment and promote employee health across all business locations.
- **Employee Engagement**  
We ask our employees to take an organizational capability survey each year to identify challenges and develop improvement strategies at an organizational level. This initiative helps promote reform of our corporate culture and enhance productivity.
- **Promotion of Diversity**  
We provide unconscious bias training and host “roundtable discussions to promote women’s participation” to share the experiences of women who are thriving within the Company. We also promote the operation of various systems that allow employees to balance their life stages with productivity, such as a life-priority work arrangement and a side job program.

## WORLD Group's Approach toward Human Capital Management

The apparel industry was dealt a heavy blow by the COVID-19 pandemic, and the WORLD Group was no exception. Having fully recovered from the pandemic, we are now reinforcing our management foundations to achieve dramatic growth in the future.

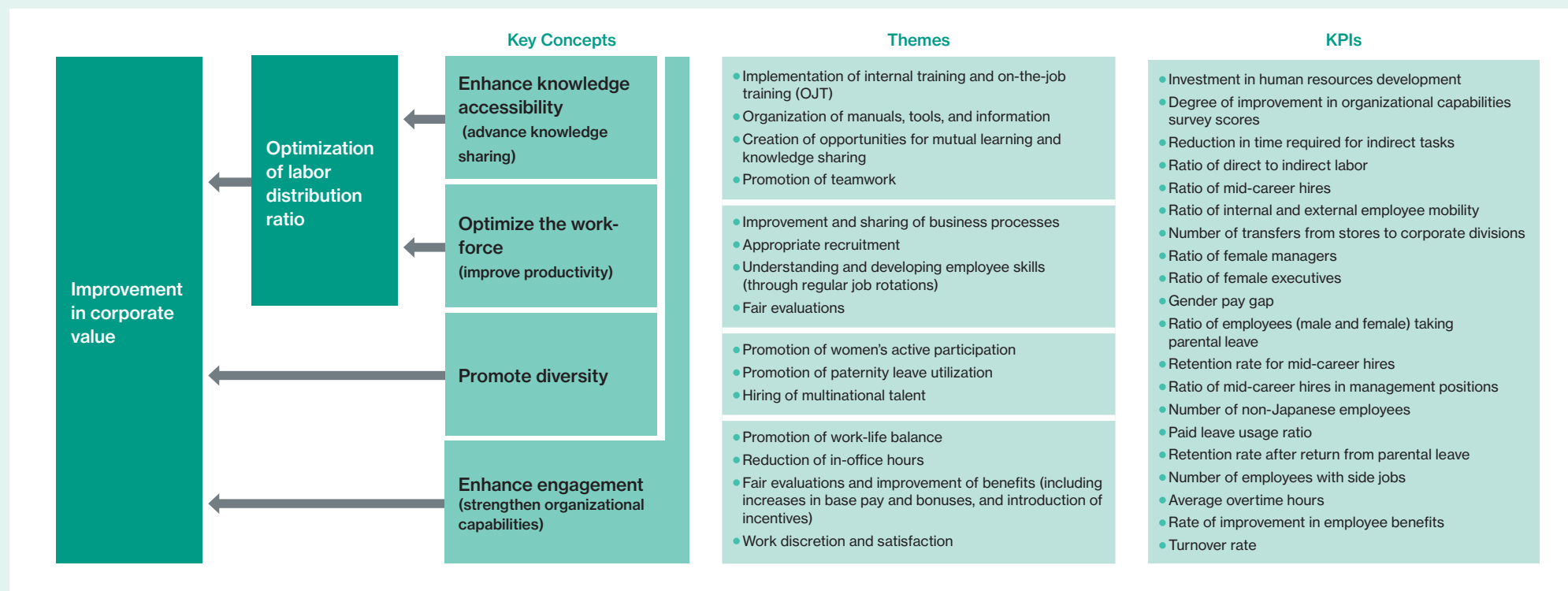
A critical factor that has helped lead the Group to success has been an adaptable workforce. To keep up with the fast-changing trends of the fashion industry, we have consistently adjusted our business models without hesitation, explored new production and sales channels, and built and adopted cutting-edge systems since our founding. We have assembled a team that is capable of keenly anticipating changes, embracing them with a positive attitude, and responding flexibly, and this has proved a major strength of the Group. To further enhance our human capital management with this strength at its core, we have established the following key concepts: “enhance knowledge accessibility

(advance knowledge sharing),” “optimize the workforce (improve productivity),” “promote diversity,” and “enhance engagement (strengthen organizational capabilities).”

A distinctive feature of the Group's human capital management is its integration with our medium-term business strategy. To achieve our ROE target of 12% or higher and establish the WORLD Fashion Ecosystem – two goals defined in our medium- to long-term roadmap – we have set KPIs for each of the aforementioned key concepts that are connected to our business strategy and growth trajectory.

All our employees are encouraged to clearly link their work to the growth of our businesses, leveraging their talents and skills in actions to achieve our goals. World, in turn, ensures that their achievements are properly recognized. Through this cycle, we aim to enhance employee engagement, thereby driving sustained growth in corporate value.

### ► Human Capital KPIs Linked to Financial Value





## KEY CONCEPT — 1

## Enhance Knowledge Accessibility

### (Advance Knowledge Sharing)

The WORLD Group believes the ability to rapidly adapt to changes in customer preferences and lifestyles directly fuels its business growth, making the knowledge held by its employees a valuable asset. The knowledge and expertise of our diverse workforce, including long-standing employees and those with backgrounds in entirely different industries, are the source of our competitiveness. We believe the sharing and transfer of such knowledge and expertise are critical elements that underpin the sustainable growth of the Group.

In FY 02/24, we focused on building expertise in e-learning systems accessible to all employees, while preparing and updating task lists. We also launched a community called *Tsunagu World* (lit. "Connecting World"), aimed at sharing best practices and enhancing communication across departments and job functions. In addition, we are offering the knowledge sharing expertise accumulated through these initiatives as a service to customers in our Platform Business.



Internal event: *Tsunagu World* (a gathering with young employees)

## KEY CONCEPT — 2

## Optimize the Workforce

### (Improve Productivity)

In the retail industry, productivity is an indispensable indicator for measuring corporate value. The WORLD Group is committed to improving its productivity by increasing productivity per employee. Each year, we set productivity targets across the various companies within the Group and strive to achieve these targets by enhancing work efficiency and promoting digitalization.

As the Group operates various businesses centered on the Brand, Digital, and Platform Businesses, the skills required from our employees evolve with the changing times. To secure the necessary talent for the business portfolio outlined in our medium-term management plan, we focus on developing multi-skilled personnel through knowledge sharing, training programs, and job rotation. Supervisors create development plans that consider each employee's career aspirations and aptitudes. Furthermore, we are actively promoting e-learning programs, internal recruitment, and other initiatives to provide opportunities for multi-track career paths for each job type and career development across different job types.



Roundtable discussion focused on advancing women's participation

## KEY CONCEPT — 3

## Promote Diversity

In the WORLD Group, providing a diverse workplace is not only about factors such as race, gender, age, nationality, or gender identity, but also includes bringing together individuals with different values and perspectives. Such an environment fosters new ideas and encourages mutual growth through stimulation and collaboration. To ensure that all members can work while respecting individual differences in attributes and preferences, we continuously conduct training and seminars to raise awareness of unconscious biases.

To support the retention of employees in their first year since joining the Company, we regularly conduct interviews, offer advice, and provide mentoring. We also strive to foster a deeper understanding of diversity and a sense of belonging through various initiatives, such as roundtable discussions focused on advancing women's participation and forums for younger employees to share information about work challenges. In the recruitment of new graduates, we open our doors broadly, welcoming applicants regardless of nationality or academic background, and stagger application deadlines to increase flexibility. For experienced hires, we provide an environment where employees of various backgrounds can thrive, irrespective of age or gender.



World Children's Visitors Day

## KEY CONCEPT — 4

## Enhance Engagement

### (Strengthen Organizational Capabilities)

The WORLD Group views the enhancement of engagement as a crucial factor to strengthen its organizational capabilities and undertakes various initiatives to this end. Since 2015, we have been conducting an organizational capabilities survey, which serves as our engagement survey, to identify organizational challenges. We have also put in place follow-up systems, formulating improvement action plans for each Group company and verifying the implementation of those plans.

Furthermore, we are actively working to improve employee benefits and address the gender pay gap, establishing a framework that ensures fair evaluations and compensation for employees. Recognizing that a work-life balance is essential to increase engagement, we operate various programs that consider employees' life stages and productivity, such as parental leave (available to both male and female employees), work arrangements that prioritize personal life, a side job system, and a flexible nursing care leave system. We are also committed to promoting health management through our Safety and Health Committee.

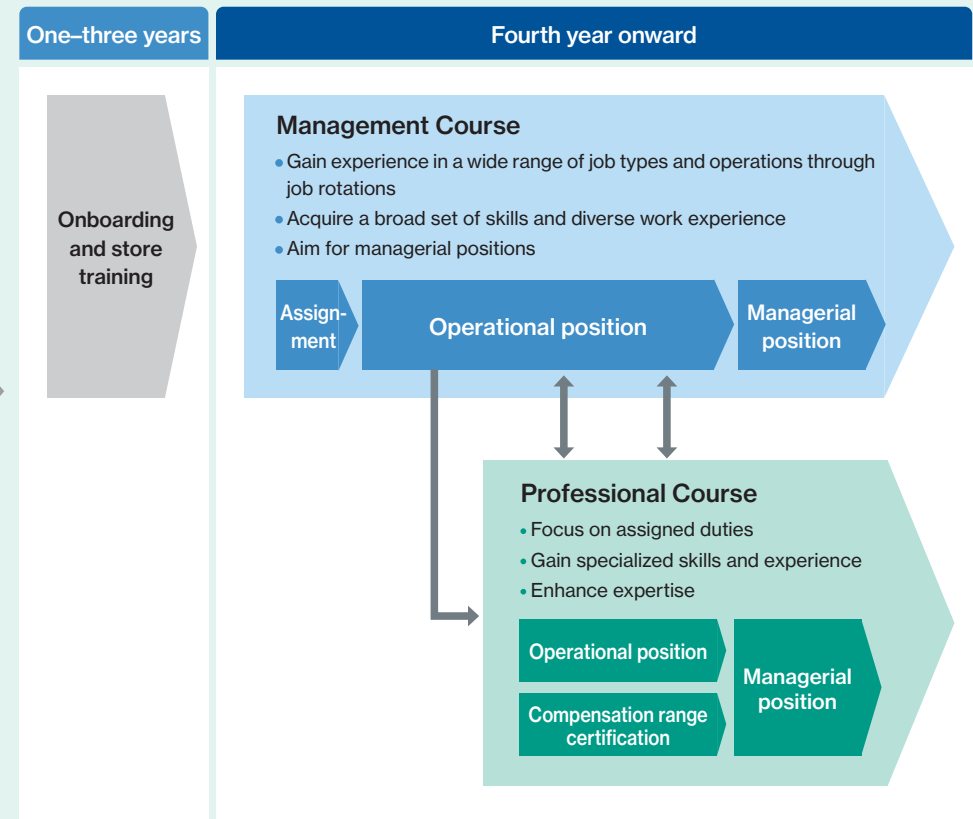
## Aligning Management Strategy with Human Resources Portfolio

To achieve our vision, we are promoting a human resources strategy that is linked to our management strategy. As our operations diversify, we believe it is essential to offer a variety of positions and career paths, while also enhancing the dynamism of our workforce. In addition, we promote individualized training and career development for employees, providing more opportunities for them to thrive.

### ► Diverse Positions and Career Paths Aligned with Businesses



### ► Multi-Track Career Selection System



### Regular Initiatives to Assess Employee Status and Support Talent Development



## Achieving Diversity of Opinions

The WORLD Group aims to create an organization where individuals with diverse values – regardless of attributes such as age, nationality, race, gender, or gender identity – can share opinions and mutually acknowledge each other's contributions, generating synergies in the process.

		Present	Target
Women's participation in the workplace (as a fashion company)	Consolidated	<b>79.9%</b>	High rate of female participation, particularly in the apparel business
	Ratio of women in management positions*	Consolidated (domestic subsidiaries) <b>68.1%</b>	Make consistent with labor composition in 2030
	Average years of service for female employees (as a percentage of same average for male counterparts)	Consolidated (domestic subsidiaries) <b>76.1%</b>	<b>85%</b> by 2025
	Ratio of women who are re-employed (reducing gender disparities in the re-employment of individuals after mandatory retirement)	Consolidated (domestic subsidiaries) <b>51.5%</b>	Maintain over <b>50%</b>
Diversity of opinions and positions	Mid-career hires in management positions	Consolidated (domestic subsidiaries) <b>62.7%</b>	Maintain over <b>50%</b>
	Ratio of employees with disabilities	Special subsidiaries and within the scope of the Group <b>2.85%</b>	Maintain employment rate above the legally mandated level

\* Personnel serving in positions of responsibility within the organization (e.g., store managers)





## Goals for Establishing a Foundation for Human Resources

The WORLD Group is building a diverse support system that enables every employee to thrive. We are achieving this by promoting a healthy work-life balance tailored to individual circumstances, ensuring that everyone can reach their full potential.

### Key Monitoring Indicators\*1

Number of employees taking parental leave

463



Number of working mothers

1,981



Retention rate after return from parental leave

79.2%



Average monthly overtime hours

7.9 hours



Paid leave usage ratio

59.4%



Number of employees with side jobs

93



### Systems Supporting Both Productivity and Life Stages\*2

#### Achieve work styles that can flexibly accommodate each life stage

##### Flexible working hours system

Allows employees to flexibly adjust their daily working hours and holidays with manager approval, as long as they meet the required monthly working hours

##### Life-care work arrangement

Allows employees to temporarily reduce their working hours due to unavoidable circumstances caused by changes in their life stage, while still prioritizing work responsibilities

##### Life-priority work arrangement

Facilitates and provides flexible working options for those who wish to prioritize their personal life over work

##### Second career support work arrangement

Provides support for employees who wish to start their own business or develop skills for a career transition

##### Shortened work hours for childcare arrangement

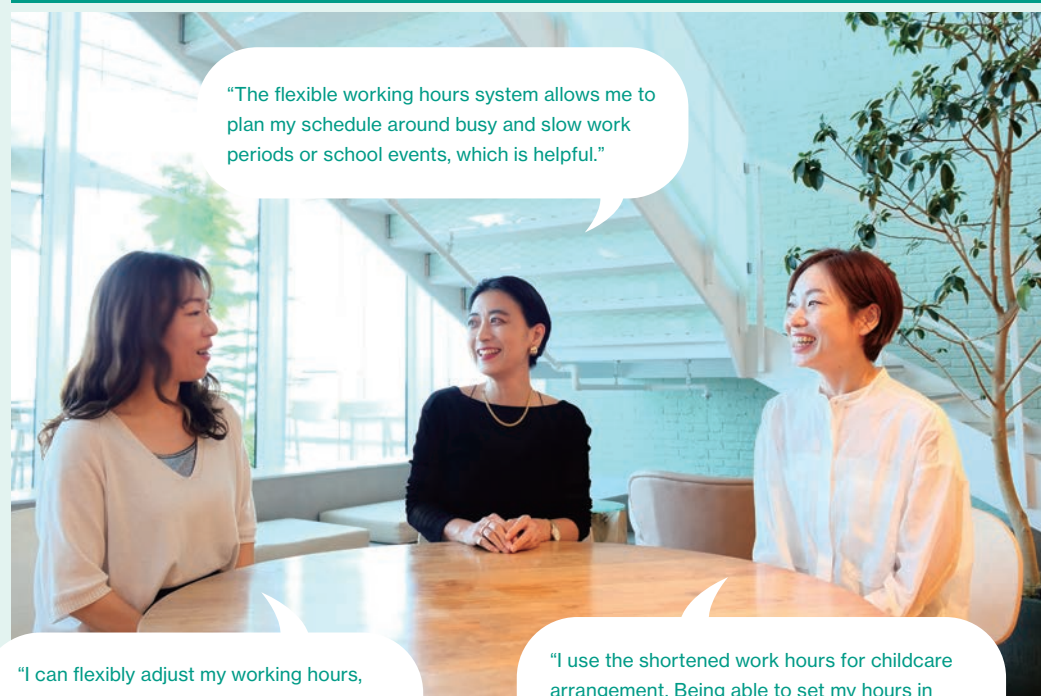
Allows employees to work reduced hours until their child enters junior high school



##### Side job program

A system that supports personal fulfillment and societal engagement through side jobs

### Voices from Working Mothers at World



"The flexible working hours system allows me to plan my schedule around busy and slow work periods or school events, which is helpful."

"I can flexibly adjust my working hours, working nine hours on busy days and seven hours on other days."

"I use the shortened work hours for childcare arrangement. Being able to set my hours in 15-minute increments gives me plenty of time to pick up my child, which is extremely helpful."

\*1 Figures reflect data for domestic consolidated companies.

\*2 Systems implemented across 20 key domestic consolidated companies



## Environment

### Recognizing Challenges Resulting from Environmental Impact in the Apparel Industry

To preserve the natural bounty of the earth for future generations, the apparel industry must fundamentally shift away from the traditional model of mass production and mass consumption to an industry structure that minimizes environmental impact. The fashion industry is globally recognized as the second most environmentally damaging industry after the petroleum industry<sup>\*1</sup>, and this is an issue that must be addressed urgently.

However, we acknowledge that environmental initiatives in the apparel industry remain insufficient. Suppliers in the apparel industry include various independent entities responsible for sourcing raw materials, processing, manufacturing (turning fabrics into products), warehousing, transportation, and distribution (retail), all of which play a role in delivering products to customers. This fragmented structure complicates efforts to gauge environmental impact at each stage and to implement comprehensive environmental strategies.

The WORLD Group recognized these supply chain challenges at an early stage and has worked to address environmental issues. We expand our businesses by providing timely and

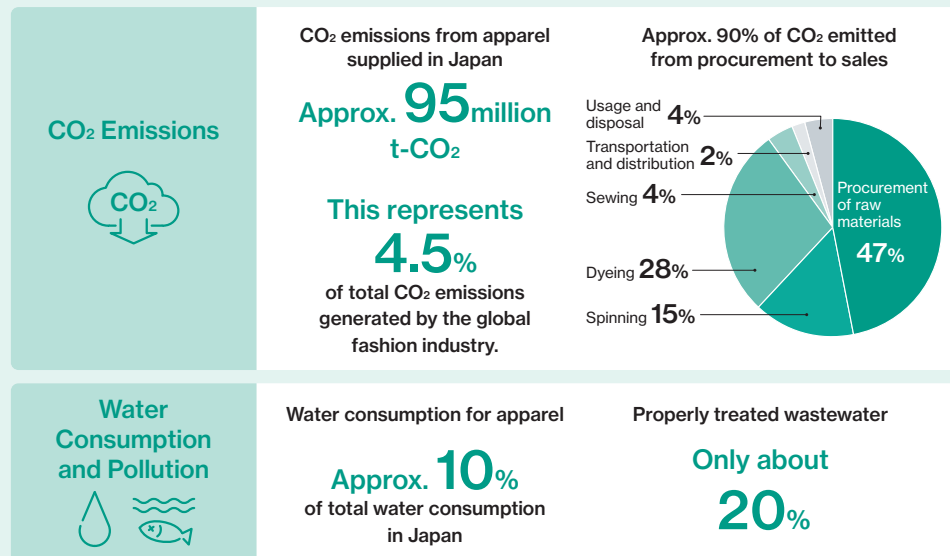
appropriately scaled products tailored to customer needs while simultaneously reducing potential waste products, thereby conserving resources and lowering CO<sub>2</sub> emissions. This balancing of economic value with social value has been deeply embedded in the Group's business activities for over 30 years, particularly since the launch of our SPARCS Vision<sup>\*2</sup>, which calls for "turning losses and waste into value."

We believe fashion has the power to bring smiles to people's faces and enrich their lives. By offering diverse choices, we aim to enhance the well-being of people and contribute to social progress. We view this as one of the social values contributed by the Group. However, we also believe that bringing smiles to customers' faces should not come at the expense of the natural environment. Pursuing diversity without sustainable practices would undermine the essence of fashion and threaten the very sustainability of the apparel industry. With this sense of urgency, we established the WORLD Sustainability Plan in 2022. Through our sustainable vision (see ▶P. 37), we will continue to lead the apparel industry's environmental initiatives going forward.

<sup>\*1</sup> Source: United Nations Conference on Trade and Development (UNCTAD) report published on April 30, 2019

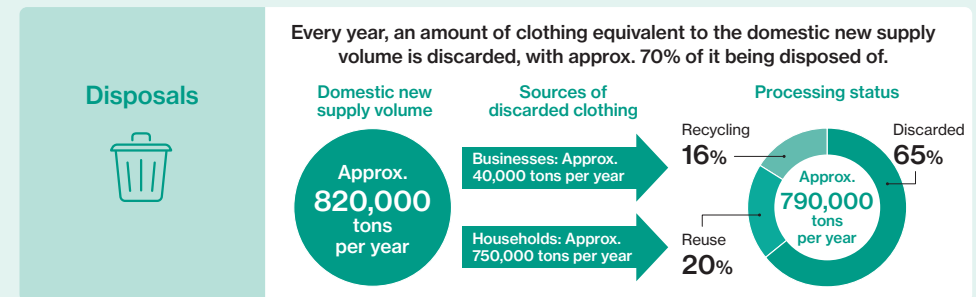
<sup>\*2</sup> SPARCS Vision: Please refer to the note on ▶P. 4

#### Environmental Impact of the Apparel Industry



Source: Results of FY2020 research project "Fashion and Environment" by Japan's Ministry of the Environment

#### Efficient Use of Resources



#### Protection of Human Rights

**Human Rights**

Reports indicate that human rights violations are prevalent in apparel production processes globally. These include forced labor such as long working hours, and health damage due in large part to poor working conditions.

#### Industry Structure Characteristics

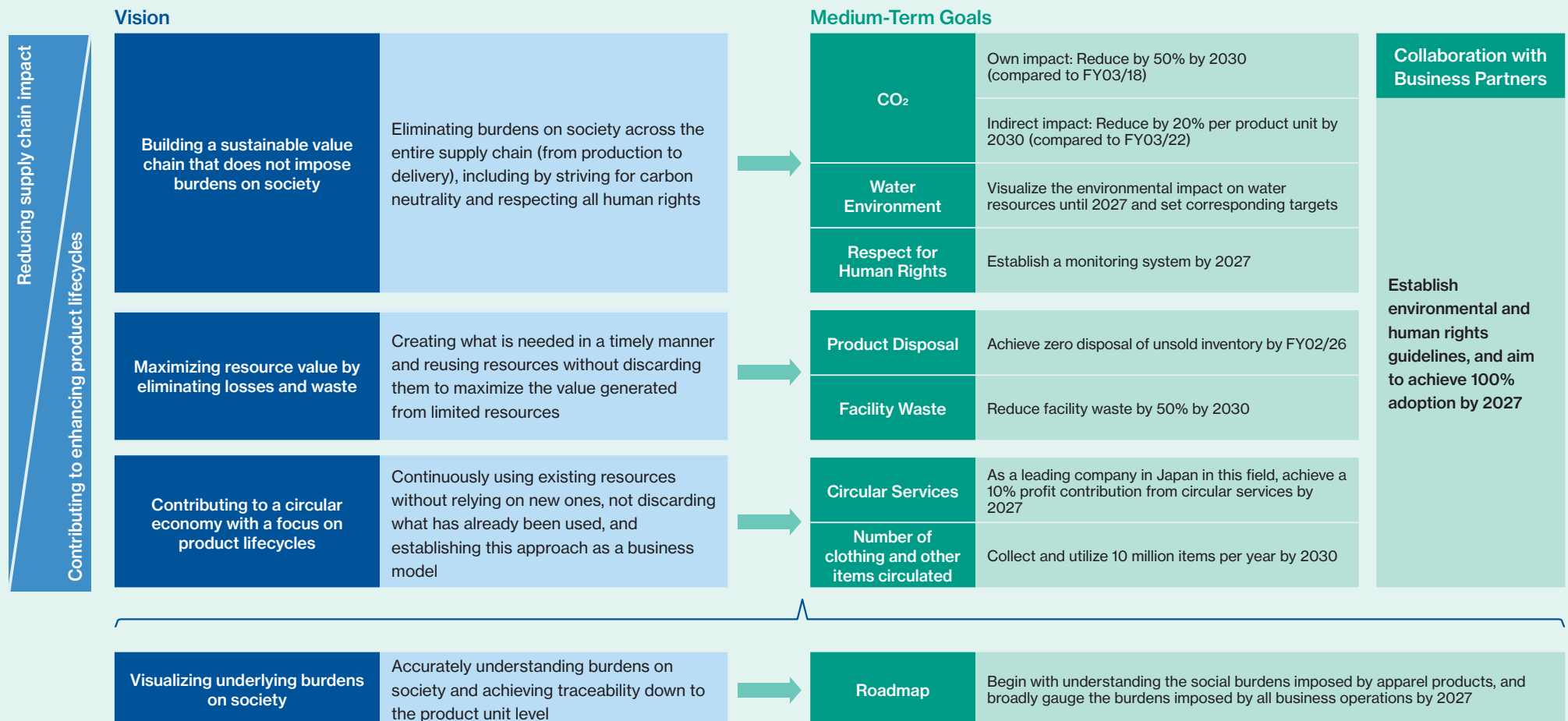
The fragmented structure of the apparel industry makes it more difficult to visualize environmental impact than in industries such as the automotive sector.

## Approach toward the Environment

The WORLD Group has established a sustainable vision that aspires to achieve the twin goals of “diversity in lifestyle culture” and a “sustainable society free of losses and waste.” Leveraging our diverse brand and product lineup, along with our long-standing expertise in addressing environmental challenges, we aim to build a sustainable society while adapting to the increasingly diverse and segmented lifestyles and needs of our customers.

To achieve this, we have formulated three themes as our long-term vision: (1) build a sustainable value chain that does not impose burdens on society, (2) maximize resource value by eliminating losses and waste, and (3) contribute to a circular economy with a focus on product lifecycles. We have established medium-term goals linked to each theme and will focus on reducing environmental impact and enhancing environmental value. At the same time, we will build an ecosystem that considers the entire product lifecycle, from the start of manufacturing to usage and disposal.

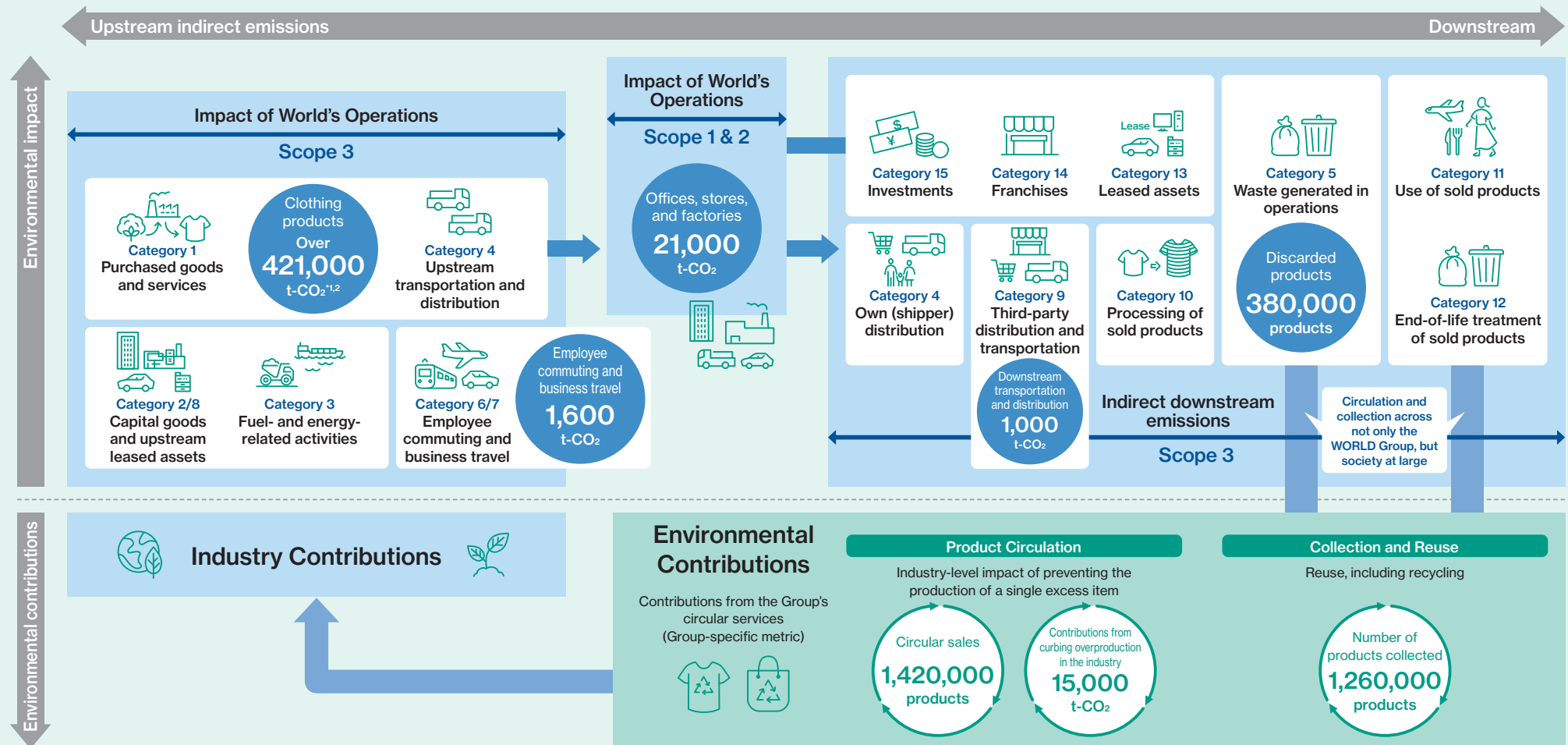
### ► Goals for Balancing Diversity and Sustainability



In pushing ahead with these initiatives, we recognize that a precise understanding of the global environmental impact of the Group's business activities is essential, as is reducing environmental impact across the entire supply chain. We will visualize the environmental impact of each product and disclose related information to our customers. We believe it is also our responsibility to foster a shift in consumer purchases toward products with higher environmental value. Looking further ahead,

we intend to offer our environmental initiatives and expertise not only to industry peers but also to other sectors through our Platform Business, which aims to solve problems in various industries.

Through such continuous efforts, we will accelerate business growth that balances social and economic value.



Note: With the exception of Category 1 and the number of products collected, the metrics do not include Narumiya International Co., Ltd.

\*1 We calculate the emission intensity per unit of apparel product item based on the number of items procured per product. Our calculation method is rational and justifiable, but it is subject to change depending on calculation and analysis methods required by the market and future refinements.

\*2 Stores with consignment sales contracts are not included in the metrics.

## Visualizing Environmental Impact Metrics

The WORLD Group is focusing on visualizing environmental impact in the areas of CO<sub>2</sub> emissions, waste reduction, and water resources.

We have completed the assessment of Scope 1 and Scope 2 CO<sub>2</sub> emissions across all our businesses. For Scope 3 emissions, we are concentrating on broadly ascertaining and refining the data, particularly in the upstream processes of our apparel operations, which have the highest environmental impact. We plan to gain a certain understanding of Scope 3 emissions across all our businesses by 2027.

In terms of waste reduction, we have already tracked the number of disposed products from unsold inventory across all our businesses and are aiming for zero disposals of apparel products by FY02/26. With regard to water resources, we are in the process of gauging present conditions and setting specific goals. For human rights, we have started to establish a monitoring system.

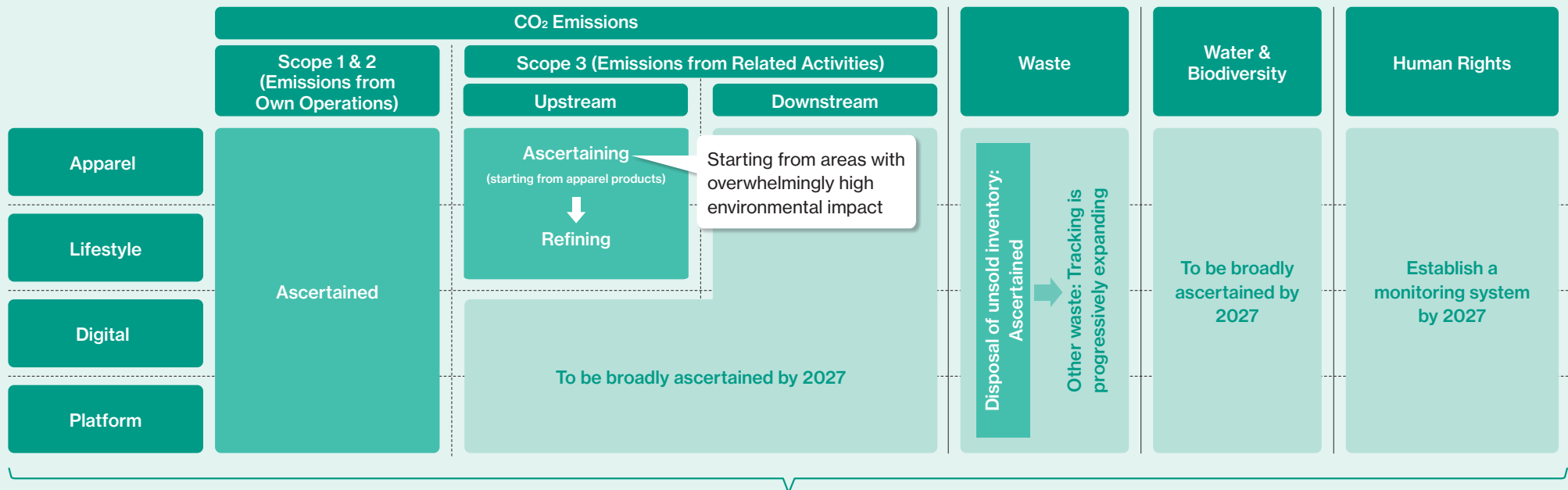
Based on the information we have gathered, we will determine “in which phases, on which areas, and how to take action,” with the goal of achieving traceability by 2030.

## Visualizing Scope 3 CO<sub>2</sub> Emissions and Addressing Sustainability Issues

Globally, the apparel industry lacks standardized methods for calculating Scope 3 CO<sub>2</sub> emissions. CO<sub>2</sub> emissions are generally influenced by sales fluctuations, but these fluctuations do not provide a true measure of environmental performance. The purpose of visualization efforts is not merely to monitor information but to reduce environmental impact. To this end, the WORLD Group tracks CO<sub>2</sub> emissions across its production processes and has developed a proprietary method to calculate emissions by item. This allows us to accurately understand actual CO<sub>2</sub> emissions throughout the entire supply chain, consider reduction measures for each process, and clarify reduction targets for each product item.

This initiative was selected by Japan's Ministry of the Environment as part of the “Fiscal Year 2022 Model Project for Supporting Achievement of the Decarbonization Targets of the Entire Supply Chain.” Under the project, we also jointly develop sustainable materials with suppliers and clarify the extent to which the application of these materials contributes to reductions in CO<sub>2</sub> emissions.

The WORLD Group has participated in the development of the “FY2023 Industry-Specific Commentary on the Basic Guidelines for Calculation Methods for Greenhouse Gas Emissions across the Supply Chain (Fashion Industry)” by the Japan Apparel and Fashion Industry Council, and our visualization methods have been presented as a case study.



Define intensity metrics to be visualized and aim to achieve full traceability by 2030



## Building a Sustainable Value Chain That Does Not Impose Burdens on Society

To eliminate social burdens throughout the entire supply chain (from production to delivery), the WORLD Group has set medium-term targets related to CO<sub>2</sub> emission reductions, water environment, and respect for human rights, and undertakes related activities.

### Reducing Own Impact

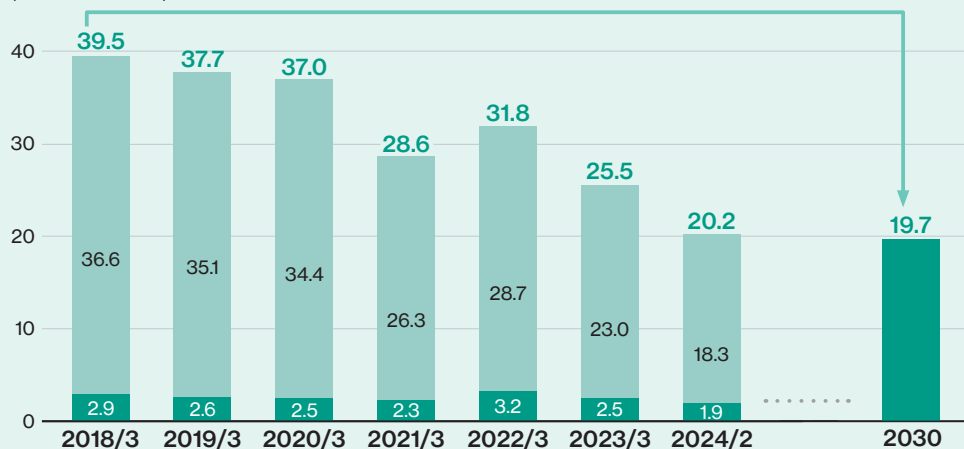
In areas where we have a direct impact as a Group, we have set a goal to reduce CO<sub>2</sub> emissions (Scope 1 and Scope 2) by 50% by 2030 (compared to FY03/18).

Our Kobe and Kita-Aoyama offices, as well as our own factories, switched power suppliers early on and essentially used 100% power derived from renewable energy sources by FY02/24.

For leased offices and stores, we are also exploring the introduction of renewable electricity in collaboration with facility operators (lessors).

### Goals for Reducing Own Environmental Impact (FY03/18 set as the baseline year)

(Thousand tons CO<sub>2</sub>)



**Achieving essentially 100% renewable energy usage  
at our Kobe and Kita-Aoyama offices and our factories**

### Reducing Social Burdens across the Entire Supply Chain

For indirect emissions (Scope 3), our goal is to reduce CO<sub>2</sub> emissions per product unit (intensity) by 20% by 2030 (compared to FY03/22).

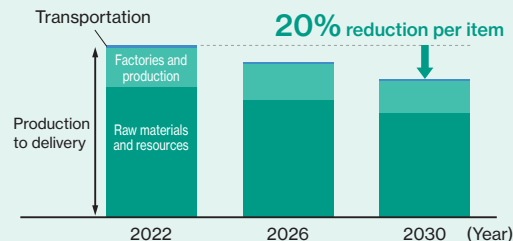
We believe that using intensity targets, rather than total emission targets that fluctuate with sales, is an effective method to ensure progress in reducing CO<sub>2</sub> emissions across the entire supply chain. We have visualized intensity metrics, and in the first phase of the initiative, have estimated CO<sub>2</sub> emissions for apparel products and have found that such emissions are the highest during the raw materials stage. As a result, we are transitioning to sustainable materials at present. We have set seasonal targets for the rate of transition and are managing the usage rates of sustainable materials per product through a dedicated system while monitoring monthly progress. Our next step is to clarify the amount of CO<sub>2</sub> emission reductions achieved through these efforts.

With regard to water resource conservation, given the use of various types of dye in the apparel industry, we believe key initiatives are reducing water usage, finding ways to promote water recycling, and ensuring proper wastewater treatment.

### Set and promote reduction targets\* per unit (intensity)

- We have opted for this approach because it allows for accurate reductions, whereas total emission targets are heavily influenced by sales fluctuations
- At present, we have broadly ascertained emissions for apparel products from production to delivery (we will refine this further)
- We will also work to ascertain and reduce CO<sub>2</sub> emissions in areas beyond apparel, including distribution

#### World's apparel products (average per item)



Reductions in  
Scope 3 CO<sub>2</sub>  
emissions

Conservation  
of water  
environment

Respect for  
human rights

Broadly ascertain by 2027

Establish monitoring by 2027

Raw materials and resources	<ul style="list-style-type: none"> <li>• Collaborate with suppliers to visualize CO<sub>2</sub> emission reductions</li> <li>• Expand the use of sustainable materials</li> <li>• Establish a circular system</li> </ul>
Factories	<ul style="list-style-type: none"> <li>• Improve energy efficiency (transition to renewable energy and implement thorough energy-saving measures)</li> <li>• Introduce equipment that reduces CO<sub>2</sub> emissions</li> </ul>
Production	<ul style="list-style-type: none"> <li>• Consolidate production, including through a shift back to own domestic factories</li> <li>• Accelerate the consolidation of production to factories with lower CO<sub>2</sub> emissions</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Improve transportation efficiency</li> <li>• Fully adopt transportation methods with low CO<sub>2</sub> emissions</li> </ul>

\* At present, these targets apply to apparel products. We have currently ascertained environmental impact for Scope 3 categories 1 and 4 (upstream), but we plan to refine this and expand the scope.

In terms of human rights, our Supplier Code of Conduct clearly states that “in all processes of the value chain, we will respect individual human rights in accordance with international human rights standards such as the ‘Universal Declaration of Human Rights’ and the ‘International Bill of Human Rights,’ including by prohibiting child labor and forced labor, and we will not engage in business

## Response to Climate Change

(Disclosure of Information in Accordance with TCFD Recommendations)

### Governance

The Sustainability Committee, organized under the leadership of the Representative Director of the Board, President and Executive Officer, appoints responsible officers and departments, and promotes basic policies and initiatives related to sustainability. The Board of Directors receives regular reports from the President and the Sustainability Committee, and provides oversight and supervision.

### TCFD

In June 2022, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and have since identified risks and opportunities related to climate change in line with TCFD's information disclosure framework. Going forward, we will continuously review our approach based mainly on scenario analysis, consider factors such as the impact on our profit and funding plans, and reflect the findings into our management strategy to clarify our Group's resilience.

### Material Risks Related to Climate Change

Category		Risk	Impact	Response
Transition risks	Policies and regulations	<ul style="list-style-type: none"> <li>Mandatory compliance with net-zero emissions by 2050</li> <li>Inadequate responses to expanded information disclosure requirements</li> </ul>	<ul style="list-style-type: none"> <li>Increase in energy costs</li> <li>Waning product demand due to inadequate responses</li> </ul>	<ul style="list-style-type: none"> <li>Cost reductions through renewable energy, energy conservation, and other measures, and mitigation of energy procurement risks</li> <li>Sequential calculation of GHG emissions in accordance with GHG Protocol and regular review of the reduction roadmap</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Rapid changes in customer needs in response to environmental challenges</li> </ul>	<ul style="list-style-type: none"> <li>Dwindling demand for products and services due to delayed adaptation to changes</li> </ul>	<ul style="list-style-type: none"> <li>Identifying needs through market and customer analysis, and reflecting them in products and services</li> </ul>
Physical risks	Acute	<ul style="list-style-type: none"> <li>Disasters caused by extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>Shortages in raw materials procurement and production delays or stoppages due to supply chain disruptions</li> <li>Decline in earnings due to damage to stores, factories, and business locations, as well as to temporary closures</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening resilience through the development of business continuity plans (BCPs)</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>Rising average temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Decline in sales due to product composition that is not suited to temperature changes, and decline in sales of heavy winter outerwear</li> </ul>	<ul style="list-style-type: none"> <li>Development of functional materials (such as cool touch fabrics)</li> </ul>
Category		Opportunities	Impact	Response
Products and services		<ul style="list-style-type: none"> <li>Attracting environmentally conscious customers</li> </ul>	<ul style="list-style-type: none"> <li>Expanding revenue from environmentally friendly products and services</li> </ul>	<ul style="list-style-type: none"> <li>Creating demand through reuse, recycling activities, sharing business, and upcycling business</li> <li>Expanding the production, sales, and services of environmentally friendly products</li> </ul>
		<ul style="list-style-type: none"> <li>Expanding environmental initiatives in collaboration with customers and business partners</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing corporate value through social contributions</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the Ecomomo Campaign<sup>*1</sup></li> </ul>

<sup>\*1</sup> Initiative under which unwanted clothing is collected from customers to utilize the value of apparel through reuse and recycling, thereby eliminating waste until the end of a product's lifecycle

with entities that do not respect human rights.” Apparel suppliers are required to agree to this principle and conduct regular self-audits. Going forward, we will expand the requirements for agreement to the Supplier Code of Conduct and self-audits to the lifestyle sector, aiming for 100% compliance by 2027. We will also further strengthen related monitoring functions.

## Launch of the Sustainable Material Brand CIRCRC



The WORLD Group aims to achieve a 20% usage rate for sustainable materials by FY02/27, focusing on restructuring its supply chain and developing recycled materials. Starting from the autumn/winter 2023 season, we have used materials that take into account environmental impact within the Group under the material brand CIRCRC. Furthermore, we plan to expand their use across the industry through OEM and ODM<sup>\*2</sup>.

CIRCRC-brand materials are manufactured using sustainable materials (such as recycled materials) and production locations (including green factories), and include materials jointly developed with suppliers – such as “recycled wool” and “recycled polyester blended with organic cotton” – in the “Fiscal Year 2022 Model Project for Supporting Achievement of the Decarbonization targets of the Entire Supply Chain” promoted by Japan's Ministry of the Environment. We have achieved a 33.7% reduction<sup>\*3</sup> in GHG emissions for “recycled wool” and a 23.4% reduction<sup>\*4</sup> for “recycled polyester blended with organic cotton” compared to conventional materials. A distinctive feature of the brand is that it clarifies environmental contribution data for sustainable products, which have traditionally been challenging to quantify.

We intend to share the expertise gained through our efforts to contribute to the sustainable development goals (SDGs), including the development of sustainable materials and initiatives to reduce CO<sub>2</sub> emissions, with the entire apparel industry. We also aim to clearly communicate the environmental value of these products to customers, fostering a broader societal shift toward sustainable choices.

<sup>\*2</sup> OEM (Original Equipment Manufacturing):  
Manufacturing products under a third-party brand  
ODM (Original Design Manufacturing):  
Designing and manufacturing products under a client's brand

<sup>\*3</sup> GHG emission reduction rate compared to virgin fiber in the wool (raw material) manufacturing process (spinning, weaving, and processing)

<sup>\*4</sup> GHG emission reduction rate compared to virgin fiber in the polyester and cotton (raw material) manufacturing process (spinning, weaving, and processing)



Products that use CIRCRC materials

## Maximizing Resource Value by Eliminating Losses and Waste

Product disposals not only lead to the waste of limited resources but also generate CO<sub>2</sub> emissions during incineration. Aside from environmental concerns, they are also closely tied to social issues such as financial expenditures (e.g., warehouse storage fees) and labor shortages (e.g., securing personnel to manage disposals).

In response to these challenges, the WORLD Group focuses on achieving two key goals: “zero product disposals by FY02/26” and “50% reduction in waste from our factories by 2030.” We are committed to reusing resources instead of discarding them, and to maximizing the value derived from limited resources. This forms the foundation of our growth strategy, which has always emphasized “timely and appropriately scaled products.” As a leader in rebuilding an apparel industry that is free of losses and waste, we view the aforementioned goals as a mission that must be accomplished without delay.

To realize our goals, we are currently promoting the following three initiatives.

### ① Establish a Zero-Waste Production Model by Refraining from Manufacturing Unnecessary Products

We are pushing ahead with the digitalization of our existing operations, leveraging AI and other technologies to further enhance quick-response systems. We are also minimizing raw material and production losses through a digital supply chain, including by optimizing production volumes through fine-tuned demand forecasts.

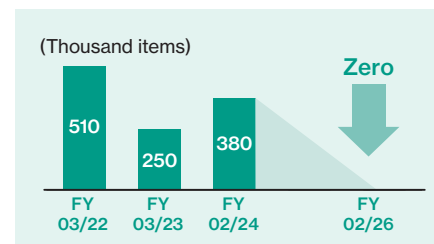
### ② Synchronize Lead Times to Reduce Losses

We are shortening the lead times from planning to production to sales, ensuring that products are

#### Disposal of Unsold Product Inventory

By FY02/26, we aim to achieve **zero product disposals**, transforming all products made from resources into new value.

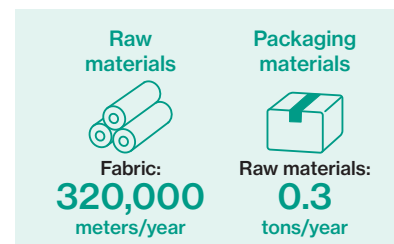
#### ► Number of unsold products disposed of



#### Disposals at Own Factories

To utilize resources effectively, we are targeting a **50% reduction in disposals at our facilities by 2030**.

#### ► Disposals at own factories and production



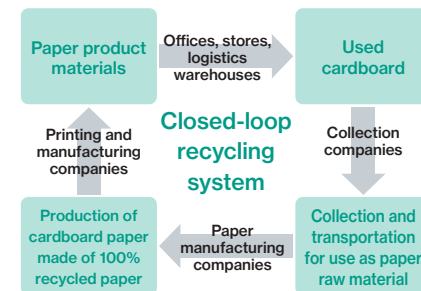
delivered at the right time to meet customer needs while preventing an increase in inventory that could become potential waste. A significant part of this effort involves promoting a return to domestic production, particularly for high-end products, which halves the lead time from orders to delivery compared to production in China or other Asian countries.

### ③ Reuse and Recycle Products and Resources

Alongside reducing the absolute volume of resources used in each stage of our operations, we are promoting reuse and recycling. Examples include the development of the upcycling brand “be released,” which creates new products from pre-owned clothing; the adoption of 100% recycled paper shopping bags made from a portion of the used cardboard from our logistics centers; the reuse and recycling of hangers used in deliveries to domestic apparel brands; and the re-molding of collected shoe lasts.

#### Closed-Loop Recycling of Used Cardboard

We recycle a portion of the used cardboard generated by World's logistics centers into 100% recycled paper, which is used for shopping bags.



#### Reuse of Delivery Hangers

Since 2005, we have established a circular system for hangers used in deliveries to our domestic apparel brands and are pursuing reuse and recycling initiatives.



#### Re-molding of Plastic Shoe Lasts

Kobe Leather Cloth Co., Ltd., a general shoe trading company that operates the ESPERANZA and other shoe brands, collects used plastic shoe lasts sold to various manufacturers, grinds them in-house, and re-molds all of them using recycled materials.



## Contributing to a Circular Economy with a Focus on Product Lifecycles

The WORLD Group takes pride in leading the Japanese apparel industry in circular economy initiatives, with RAGTAG facilitating the reuse of 700,000 items annually, Laxus offering a bag-sharing service, and “& Bridge” contributing to a reduction in product disposals through a semi-secondary market.

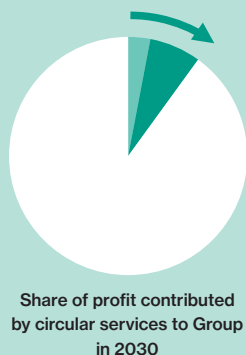
Building on these “non-production” business models, we have launched upcycling initiatives that leverage Group synergies to create new resource cycles by “reusing instead of discarding.” At present, we are working on projects such as “be released,” a service offered by Tin Pan Alley Co., Ltd., where items not eligible for trade-in are collected at the customer's request, upcycled, and resold. We are also involved in an industry-academia collaboration project where students from Sugino Fashion College design, produce, and sell upcycled products themselves.

To further grow circular initiatives into a core business for the Group, it will be essential to collect more items that can serve as the raw materials for these efforts. Going forward, we will therefore focus on increasing awareness to expand our buy-back programs. In addition, we aim to establish a closed-loop system where collected clothing items are resold as Group products after undergoing chemical or material recycling. Through these initiatives, we will encourage broader social awareness of the concepts of “continuing to use existing products” and “not discarding used products.”

### Contribution of Circular Services to Group Profit

Through the circular services we have offered to date, we are not only contributing to improved sustainability, but also growing this business into one of the pillars of our Group operations.

2030 target:  
Circular services  
to account for  
approx. **10%**  
of Group profit

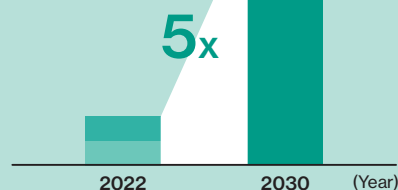


### Number of clothing items circulated

“Mottainai Points” are defined as the number of clothing items collected to prevent simple disposal.

2030 target:  
Collect the equivalent of

**10 million items**  
per year



## World Ecoromo Campaign



Since 2009, World has conducted the annual World Ecoromo Campaign, collecting unwanted clothing from customers and facilitating reuse or recycling through our partner companies, both domestically and internationally. The proceeds generated from these activities are donated to funds supporting children in need, such as the Great East Japan Earthquake Fukushima Children's Fund and the Ashinaga Foundation that provides financial and emotional support to children who have lost one or both guardians.

A distinctive feature of the World Ecoromo Campaign is that it does not limit collection to products from the WORLD Group. In the 15 years since we launched the campaign, we have collected over 18.61 million items and raised ¥111 million in donations. In FY02/24, the campaign was recognized for its sustainability and contribution to the advancement of the sustainable development goals (SDGs) in the fashion industry, earning the “Sustainable Award in the Ladies' Category” at the FY2022 Department Store Buyers Awards organized by Senken Shimbun Co., Ltd.





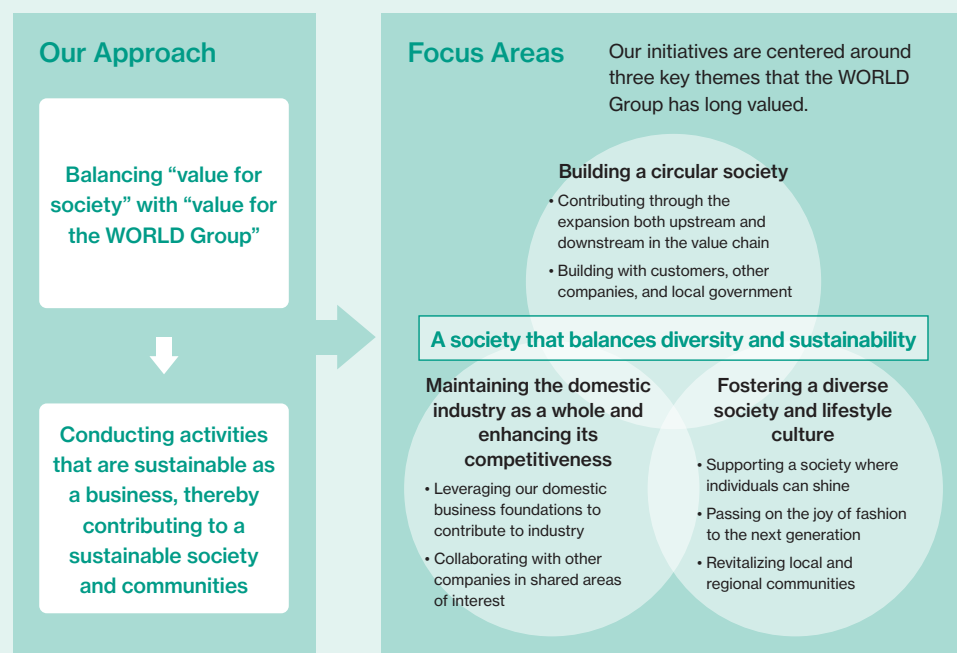
## Society

### Approach toward Society

The WORLD Group aims to work with society to balance diversity and sustainability through activities centered around the themes of “building a circular society,” “maintaining the domestic industry as a whole and enhancing its competitiveness,” and “fostering a diverse society and lifestyle culture.” These initiatives are built into the business strategies of each Group company, enabling us to pursue activities that confer value to both society and the Group.

### Building a Circular Society

We are expanding our efforts to build a circular society by collaborating with various stakeholders. For our customers, we host upcycling events (workshops) at WORLD Group stores across Japan and at local government-run facilities, using scrap fabric, thread, and other materials from our factories. We also collaborate with other companies, such as TSI Holdings Co., Ltd., to run campaigns like “Together with Earth.” We have created integrated sales floors for both companies, highlighted the appeal of products that use sustainable materials, and conducted clothing collection campaigns.



### Maintaining the Domestic Industry as a Whole and Enhancing its Competitiveness

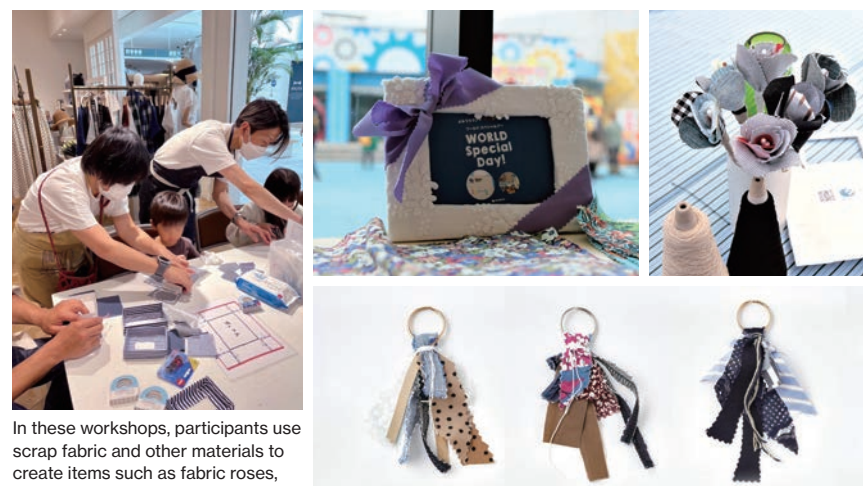
Since the 1970s, the WORLD Group has been committed to maintaining and expanding the domestic production base, including through business successions. Going forward, we will contribute to Japan and other regions by working to improve the sustainability of the fashion industry in collaboration with other companies, including by taking on production for other domestic and international brands.

### Fostering a Diverse Society and Lifestyle Culture

As a company that proposes fashion products, we also consider it one of our social responsibilities to engage in activities that bring smiles to our customers' faces. We aim to create a society where everyone can enjoy fashion, express themselves, and discover new values. To achieve this, we are undertaking various activities with an eye toward future commercialization.

#### Conducting upcycling events

We host workshops utilizing scrap fabric, thread, and other materials from our factories at WORLD Group stores nationwide, as well as at facilities operated by local governments.



In these workshops, participants use scrap fabric and other materials to create items such as fabric roses, photo frames, and keychains.

## CHAIRMAN OF THE BOARD'S MESSAGE

## Message from the Chairman of the Board

## Striving to Enhance Corporate Value for the Satisfaction of All Stakeholders, Including Employees and Shareholders

My initial encounter with World dates back to my time as a securities analyst. I vividly remember then-President Hidezo Terai (now Senior Chairman) passionately expressing his vision to “revitalize the entire fashion industry.” That strong impression has stayed with me ever since.

Throughout my career as a securities analyst, I spent years analyzing companies from the outside. The impression I had of World back then remains largely the same as the one I have today as an outside member of the Board, looking from within. My first impression upon joining was that World is a transparent company.

World has three strengths that are apparent from both inside and outside the Company.

The first strength is its strategy-focused management and assertive communication with stakeholders.

As also outlined in our current “PLAN-W” medium-term management plan, starting from the SPARCS Vision\*, World has consistently developed systematic strategies, which I feel is a

standout trait.

This strategic thinking at an organizational level has been embedded by the leadership, including the current President and his predecessors, into World’s corporate culture.

The second strength is the Company’s thorough approach to numerical management. World operates a diverse range of businesses, each with finely tuned KPIs whose progress is meticulously monitored by employees on the ground.

I had already noticed this when I was still looking in from the outside, but I felt it even more strongly when I become an outside member of the Board. Another aspect is that the numbers on which the Board bases decisions align precisely with those used at the operational level, further reinforcing my view that World is a transparent company when it comes to data.

The third strength lies in the Company’s capabilities in the field. This was something I was not fully aware of as an outside observer, but



**Hidehiko Aoki**

Outside Member of the Board  
Chairman of the Board

after visiting production factories and stores, it became clear that each employee approaches their work with the utmost sincerity. They exchange opinions and come up with various creative ideas at the ground level. This is undoubtedly another of World’s key strengths.

At the same time, I see two challenges.

The first challenge is that while building and executing strategies systematically is highly commendable, the diversity of the business

makes it appear complex to the outside world. To address this, I believe that the investor relations and public relations teams need to continue providing clear and “easy-to-digest” explanations to stakeholders to foster understanding and ultimately improve external evaluations, including stock price valuations.

The second challenge is that many outside parties still perceive World as primarily a “department store apparel company.” While we

\* SPARCS Vision: SPARCS is an acronym for “Super,” “Production,” “Apparel,” “Retail,” and “Customer Satisfaction.” It refers to a business model that transforms losses and waste into value through integrated operations ranging from retail to production with a customer-centric perspective.

## CHAIRMAN OF THE BOARD'S MESSAGE



are currently working hard to break away from this image, we have not yet fully succeeded in reshaping external perceptions.

In our apparel business, one of the strengths that sets us apart from typical apparel companies is our integrated system, which allows us to handle everything from planning and production to sales, supported by our in-house production infrastructure.

Furthermore, the broad expertise we have accumulated in our businesses over the years has evolved into services we now offer to third parties through our Platform Business. In addition, our Digital Business, which not only manages our own e-commerce operations but also provides contracted e-commerce operation and digital solution services to other companies, is steadily growing into a new business pillar. Going forward, I feel it will be crucial to be even more proactive in communicating these new developments to the outside world.

We need to present the “big picture” of World that firmly conveys our strengths and current situation. As outside members of the Board, we are also committed to utilizing our broad career experiences to support the dissemination of such information.

### Sound Operation of the Board of Directors through Strict Separation of Oversight and Execution

In May 2024, I assumed the role of Chairman of the Board. Board members have a fiduciary duty to the capital markets and are responsible for enhancing corporate value.

This is something I constantly remind myself

of when I lead Board discussions.

World's Board of Directors is structured with a majority of outside members, ensuring that management is effectively monitored with a third-party perspective. The outside members of the Board have a diverse range of backgrounds, each having established themselves as leaders in their respective fields. Mr. Hideya Sato possesses deep knowledge of IT and corporate management, while our latest addition, Ms. Hayuru Tsutsumi, brings valuable insights on organizational development and human capital. Ms. Kanae Fukushima contributes from a legal standpoint, while Ms. Naoko Tomita adds knowledge of accounting and investments. I believe we have assembled an extremely robust team with a diverse skill set, as evidenced by our skills matrix.

My goal is to foster a culture that leverages the unique strengths of each member, while maintaining a high level of psychological safety to ensure discussions are lively and productive.

World's Board primarily focuses its discussions on corporate strategy. Matters such as the competitiveness of individual businesses or brands and their operational tactics in the market are delegated to the relevant business managers. I believe that members of the Board should refrain from micromanaging business strategies, as ill-advised involvement in such strategies could lead to an imbalance between execution and oversight.

In practice, the Board maintains a clear separation between execution and oversight. The supervisory team monitors execution through detailed data. When making investment decisions, we focus on discussions from a clear

perspective – namely, whether they will contribute to enhancing corporate value. There is a high level of discipline. When discussing resolutions, decisions to either approve or reject items are always backed by serious debate.

While we engage in robust discussions around corporate strategy, once decisions are made regarding certain businesses, we refrain from diving into how to compete with rivals or how to develop products – these are the responsibility of the operating companies. This clear delineation ensures that the Board operates as a body focused on rigorous monitoring.

In addition to Board meetings, the President and the outside members of the Board frequently hold open discussions. These interactions are valuable opportunities to learn about what the President is usually thinking, as well as the background and reasoning behind decisions made in meetings outside of the boardroom.

### Trust between Oversight and Execution Developed through Understanding of Operations in the Field

One thing I have noticed through my experience in operating the Board of Directors is the need for more opportunities to deepen our understanding of operations on the ground. While we already conduct store and factory visits, I believe it would be beneficial to take it a step further by having opportunities for discussion or other interactions with on-site managers. Of course, just because we gain insights from the field does not mean that we, as outside members of the Board, will interfere with the execution

## CHAIRMAN OF THE BOARD'S MESSAGE

side. However, having a tangible sense of the execution of operations helps us better understand the context when discussing proposals, which is important.

Furthermore, even though oversight and execution are distinct roles, to ensure both sides can effectively fulfill their responsibilities, it is essential that they are underpinned by relationships rooted in smooth communication and efforts to build mutual trust.

### As a Business Conglomerate, World Promotes Strong Governance

With a view to enhancing corporate value, Board discussions focus on how to realize the “WORLD Fashion Ecosystem” outlined in our medium-term management plan.

It would be difficult and extremely time-consuming to create everything on our own, so we continue to discuss the use of M&A to build the business portfolio we envision. As a business conglomerate composed of diverse business companies, the WORLD Group recognizes the critical importance of governance over these Group entities.

We ensure robust governance across the organization through thorough numerical management and regular, rigorous audits.

Building on this foundation, we aim to enhance corporate value by ensuring that each business company performs well, contributing to the overall profitability of the Group.

### Employee Fulfillment Drives Increases in Corporate Value

From a medium- to long-term perspective, human capital is undoubtedly the core of our business.

It is the people on the ground who create new value. Our responsibility is to firmly understand them and create an environment where they can find fulfillment in their work every day. This is a crucial topic that must be carefully considered, including from a diversity perspective.

I once had the opportunity to hear a management scholar whom I hold in high regard say the following: “It is obvious that publicly traded companies need to generate the profits demanded by shareholders, but can a manager motivate employees by telling them to ‘work for the shareholders’ or ‘increase profits for the shareholders’? Can a company where employees have lost their motivation deliver good performance? And who would invest in such a company?”

The interests of shareholders and those of employees and other stakeholders are not in conflict. I believe that a company with a culture that gives employees motivation and encourages them to work with dedication will eventually see those efforts reflected in its performance, even if it takes time. Shareholders in all likelihood also want to invest in such companies.

In other words, I believe that creating an environment where employees can work with a sense of fulfillment helps enhance corporate value over the medium to long term.

This is why it is essential to consistently send forward-looking messages to foster employee engagement and motivation.

Fashion, at its core, is something exciting and enjoyable. Our work should not be done with constant furrowed brows. Through fashion, we can make positive contributions to society and create a joyful world. I wish to create a virtuous cycle in which employees find fulfillment in related initiatives, driving improvement in the Company's performance that ultimately benefits shareholders. I hope that shareholders and investors can resonate with this vision and hold high expectations for it.

I have always believed that each line item on a profit and loss statement reflects a relationship with stakeholders.

Revenue is tied to our customers, cost of sales relates to our suppliers, and selling, general and administrative expenses include wages, which reflect our employees. Interest expenses point to our creditors, and bottom-line profit is linked to our shareholders. If any one of these elements is missing, we cannot function properly as a company. By responding responsibly to and satisfying all stakeholders in a balanced manner, I am convinced we can evolve into an even more attractive company. I am committed to carefully monitoring and supporting such efforts.





## Corporate Governance

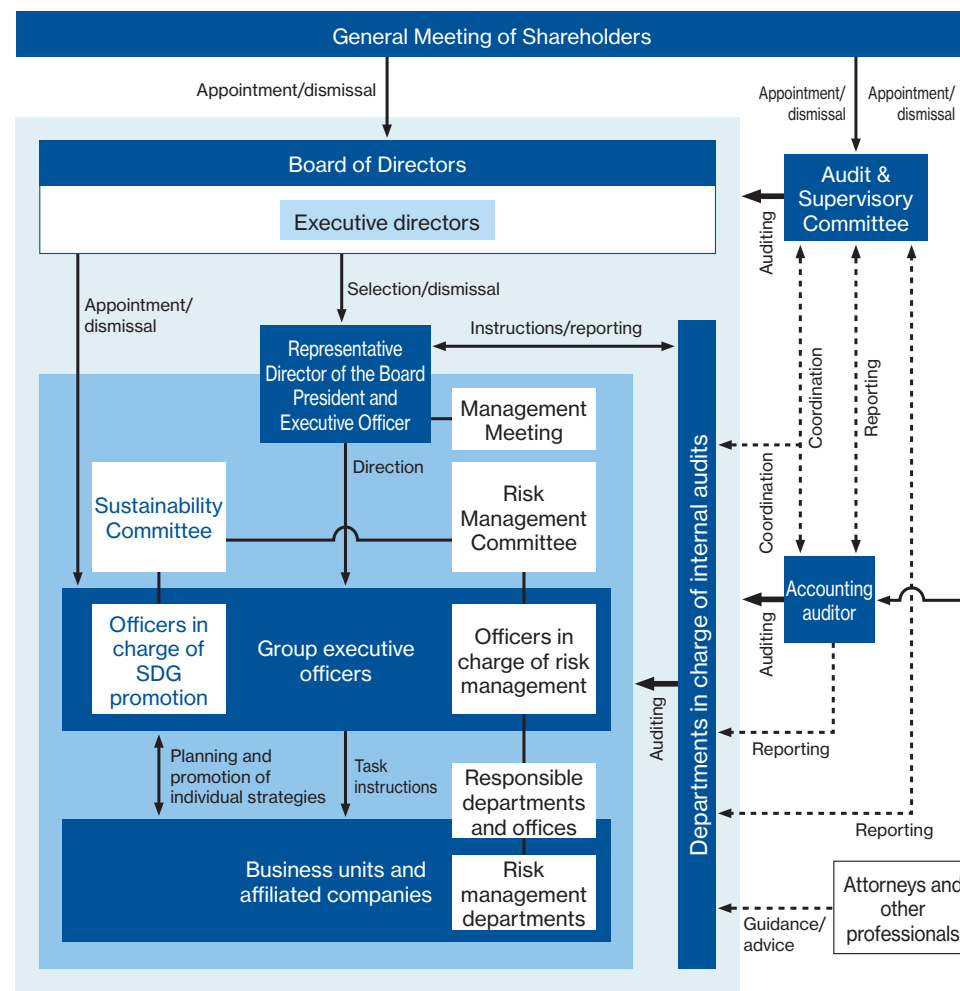
### Basic Approach

Our basic approach toward corporate governance is to continuously enhance corporate and shareholder value by increasing management transparency and establishing a sound and competitive management organization, along with a corresponding decision-making framework, in compliance with laws, regulations, and social norms. We have adopted the structure of a company with an Audit & Supervisory Committee to establish a monitoring board model in which the executive team manages the Company, while the Board of Directors focuses on overseeing business execution and management bodies.

### History of Strengthening Corporate Governance

<b>FY2015</b>	<ul style="list-style-type: none"> <li>Transitioned to a company with an Audit &amp; Supervisory Committee</li> <li>Transitioned to a structure that separates supervisory and executive functions</li> </ul>
<b>FY2016</b>	<ul style="list-style-type: none"> <li>Transitioned to a Board of Directors structure with a majority of outside members</li> </ul>
<b>FY2017</b>	<ul style="list-style-type: none"> <li>Established voluntary Nomination &amp; Compensation Committee</li> </ul>
<b>FY2018</b>	<ul style="list-style-type: none"> <li>Appointed the first female outside member of the Board (member of Audit &amp; Supervisory Committee)</li> </ul>
<b>FY2024</b>	<ul style="list-style-type: none"> <li>Increased the total number of female outside members of the Board (members of Audit &amp; Supervisory Committee) to three</li> <li>Appointed an outside member of the Board as the Chair of the Board of Directors</li> </ul>

### Corporate Governance Structure

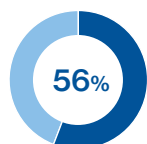


## Overview of Major Governing Bodies

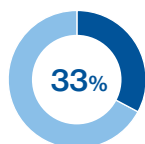
### Board of Directors

The Board of Directors fulfills the responsibilities set forth in laws, regulations, and our Articles of Incorporation, while making strategic decisions and providing oversight of business execution as our highest decision-making body. World considers the appropriate number of members to ensure active deliberation and nominates candidates from both inside and outside its organization. The candidates are selected based on criteria such as extensive management experience, broad insight, high degree of specialized expertise, strong character, and ethical views. They are appointed by resolution of the General Meeting of Shareholders in an effort to maintain the diversity of the Board and secure an overall optimal balance of knowledge, experience, and skills for the Company. To ensure independence, the majority of the Board is composed of outside members, with five of the nine members, including the Chair, being outside members.

#### ► Composition



**Independence:**  
Ratio of outside members



**Diversity:**  
Ratio of female outside members

#### Key Initiatives in FY2023

- Deliberation and approval of the medium-term management plan
- Reporting and discussions on progress at acquired companies
- Reporting on SDG-related initiatives

- Meetings to exchange opinions with business managers
- Reporting and discussions on the operation of internal control systems

#### ► Skills Matrix (as of May 28, 2024)

Name	Tenure	Gender	Current Position	Board Meeting Attendance	Corporate Management	Industry Knowledge	HR & Talent Development	Finance & Accounting	Legal & Risk Management	Digital & Innovation	Diversity & International Experience
Nobuteru Suzuki	3 years 11 months	Male	Representative Director of the Board President and Executive Officer	13/13	●	●	●			●	●
Keiichi Nakabayashi (New appointment)	—	Male	Member of the Board Executive Vice President and Executive Officer	—	●	●		●	●		
Mitsuyoshi Hatasaki	6 years 11 months	Male	Member of the Board	13/13	●	●					
Hidehiko Aoki	11 months	Male	Outside Member of the Board	10/10		●		●			●
Hideya Sato	4 years 11 months	Male	Outside Member of the Board	13/13	●					●	●
Hayuru Tsutsumi (New appointment)	—	Female	Outside Member of the Board	—	●		●				●
Naoteru Matsuzawa	11 months	Male	Member of the Board (Member of Audit & Supervisory Committee)	10/10 (Audit & Supervisory Committee 11/11)		●	●		●		
Kanae Fukushima	11 months	Female	Outside Member of the Board (Member of Audit & Supervisory Committee)	10/10 (Audit & Supervisory Committee 11/11)			●		●		●
Naoko Tomita (New appointment)	—	Female	Outside Member of the Board (Member of Audit & Supervisory Committee)	—	●			●			●

Note: The list above does not represent all knowledge, experience, or expertise held by each individual.

### Audit & Supervisory Committee

The Audit & Supervisory Committee, which is composed of a majority of independent outside members of the Board, is responsible for supervising the execution of duties by Board members. Furthermore, in collaboration with internal audit departments and the accounting auditor, the Committee audits the effectiveness of the Group's internal control systems based on its annual audit plan, and, when necessary, can request reports from members of the Board, executive officers, and executive departments of the Company and its Group companies.

Full-time members of Audit & Supervisory Committee attend important meetings such as Management Meetings and Risk Management Committee meetings, where they can gather information related to business execution and provide input as needed.

#### Key Initiatives in FY2023

- On-site audits of subsidiaries, key departments of the holding company, stores, distribution centers, and other locations in collaboration with internal audit departments
- Reporting by and exchanges of opinion with the accounting auditor
- Quarterly reporting by and exchanges of opinion with internal audit departments and quarterly reporting and exchanges of opinion on internal whistleblowing reports
- Semi-annual opinion exchange meetings with the Representative Director and outside members of the Board

### Nomination & Compensation Committee

In accordance with the procedures set forth in the Company's Nomination & Compensation Committee Regulations, the Nomination & Compensation Committee deliberates and decides on draft proposals for candidates for members of the Board (including those who are members of Audit & Supervisory Committee), matters related to the selection and dismissal of the Representative Director of the Board, President and Executive Officer, and matters related to succession planning (including training). It also deliberates on matters related to individual compensation amounts for members of the Board (excluding those who are members of Audit & Supervisory Committee), as well as other matters related to the compensation of members of the Board or other executive management. The Committee is composed of seven members, with two inside members and five outside members of the Board. The Committee Chair is an outside member of the Board. In FY2023, the Committee held four meetings.

### Risk Management Committee

The Risk Management Committee, organized under the leadership of the Representative Director of the Board President and Executive Officer, appoints responsible officers and departments, and promotes our Compliance and Risk Management Program across the WORLD Group.

The Committee serves as a body that advances risk management for the entire Group, deliberating on issues and measures related to the promotion of risk management.

### Sustainability Committee

The Sustainability Committee, organized under the leadership of the Representative Director of the Board, President and Executive Officer, appoints responsible officers and departments, and promotes basic policies and initiatives related to sustainability. The Board of Directors receives regular reports from the President and the Sustainability Committee, and provides oversight and supervision.

## Evaluation of Board Effectiveness

To further enhance the effectiveness of its Board of Directors, World conducts an annual self-evaluation through a questionnaire completed by all members of the Board. This evaluation covers the composition, operation, deliberation status, and other relevant aspects of the Board. Based on the results, the Company analyzes and assesses the Board's effectiveness.

### Questionnaire Topics

- Board composition
- Board operation
- Board deliberation
- Board roles and responsibilities
- Board support
- Other

## FY2023 Evaluation

### Evaluation Summary

- The Board of Directors consists of a majority of outside members, and each member of the Board can freely express his or her opinions as an independent individual. The Board's governance functions through diverse discussions and exchanges of opinions.
- On the whole, matters related to deliberations by the Board of Directors (including the number of items discussed, time, proposals, and meeting operations by the Chair) are deemed appropriate.
- A relationship of trust and constructive tension is formed between the executive and supervisory functions.
- Various initiatives deepen outside officers' understanding of the Company, leading to more constructive discussions at Board meetings.
- Through the collaboration between management teams responsible for strategy and finance, the Company has formed a leadership team that can deliver strong performance.
- The Audit & Supervisory Committee conducts in-depth discussions with the accounting auditor and internal audit departments, and opportunities are created for reporting between the Audit & Supervisory Committee and other outside members of the Board.
- The voluntary Nomination & Compensation Committee functions appropriately.

### Challenges and Initiatives

- Appoint female members to further enhance the composition (balance and diversity) of the Board.
- To ensure opportunities for information exchange among outside members of the Board, hold quarterly meetings with all members of the Board attending in person.
- To examine past M&A activities, provide progress reports on acquired companies (twice a year).
- Hold discussions on succession plans for the Representative Director of the Board in the Nomination & Compensation Committee.
- To address compliance violations and harassment issues, review and evolve the establishment and implementation of internal control systems (continue to prepare annual "Internal Control Operation Report").
- Expand discussions to include the topics of developing and utilizing talent, and improving organizational strength.

## FY2024 Evaluation

### Evaluation Summary

- The Board of Directors consists of a majority of outside members, and efforts are made to ensure diversity (including through the appointment of female members). Discussions are generally fair and equitable.
- Within the Board, which separates supervisory and executive functions, the executive side makes efforts such as offering various preliminary information and providing opportunities to deepen an understanding of on-site operations. In addition, opportunities are adequately provided for outside members of the Board to request additional information from the Company as needed.
- Outside members of the Board deepen their understanding of the Company, leading to more specific and constructive Board discussions. Candid feedback and opinions contribute to the Board's overall effectiveness.
- Matters related to operations and deliberations by the Board of Directors (including the frequency of meetings, the number of items discussed, time, the quality and quantity of materials, and meeting management) are deemed appropriate.
- The voluntary Nomination & Compensation Committee, which is appointed by the Board, is operated appropriately and functions properly.

### Challenges and Issues

- To further enhance the composition (balance and diversity) of the Board, consider defining required qualifications for members from the perspective of the "ideal state" of the Board and selecting candidates accordingly.
- Provide progress reports and conduct discussions related to initiatives aimed at evolving management in growth areas, IT governance, and other domains.
- Provide progress reports and conduct discussions on initiatives aimed at realizing human capital management.
- Provide opportunities for information sharing to further encourage such sharing and collaboration among outside members of the Board, and between outside members of the Board and the management team or other parties.

## Executive Compensation

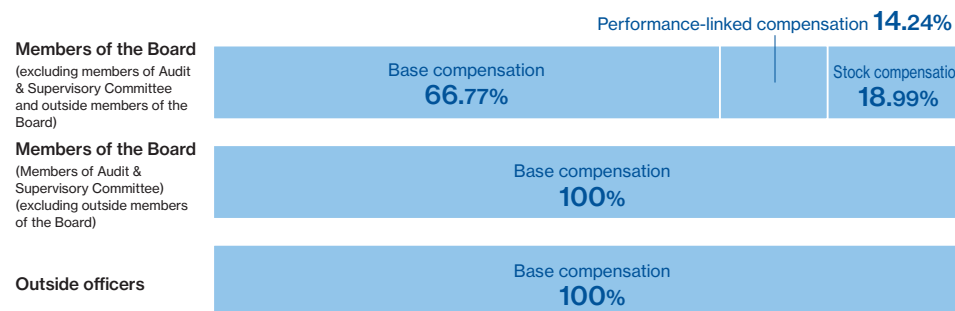
### Basic Policy

The compensation for members of the Board is allocated to each member within the total amount determined by the General Meeting of Shareholders, distinguishing between members of the Board who are not members of Audit & Supervisory Committee and those who are. This allocation is decided by the Board of Directors following approval by the voluntary Nomination & Compensation Committee, which consists of a majority of outside members of the Board.

There are three types of compensation: base compensation, performance-linked compensation, and stock compensation (restricted stock). However, for members of the Board who are members of Audit & Supervisory Committee and outside members of the Board, only base compensation is provided due to the nature of their roles, which do not involve efforts to enhance profit. In other words, performance-linked compensation and stock compensation are not provided to these officers.

The details of base compensation, performance-linked compensation, and stock compensation are all approved by the voluntary Nomination & Compensation Committee. The ratios (composition) of these types of compensation are resolved by the Board of Directors following approval by the voluntary Nomination & Compensation Committee.

	Determination policy
<b>Base compensation</b>	A fixed amount determined in accordance with the relevant position is paid monthly as base compensation.
<b>Performance-linked compensation</b>	Performance-linked compensation is determined by applying a coefficient to the standard amount set for each position. This coefficient is based on the achievement levels for consolidated core operating profit and consolidated profit targets. The resulting amount is paid in June of the following year.
<b>Stock compensation</b>	Non-cash compensation (stock compensation and stock options) is granted at a specific time each fiscal year, in an amount corresponding to the relevant position. Stock compensation is provided in the form of restricted stock (RS) and is subject to the completion of a one-year tenure. The transfer restriction is lifted after a three-year restriction period has elapsed.
<b>Compensation ratios</b>	The details of base compensation, performance-linked compensation, and stock compensation are all approved by the voluntary Nomination & Compensation Committee. The ratios (composition) of these types of compensation are resolved by the Board of Directors following approval by the voluntary Nomination & Compensation Committee, in accordance with the basic policy illustrated in the graph below.



Notes: 1. The compensation ratios in the basic policy are adjusted to account for economic conditions and are finalized by the voluntary Nomination & Compensation Committee.  
2. From the 67th fiscal year onward, achievement levels for ESG indicators are scheduled to be added to the performance-linked compensation metrics.

## ► Total Compensation Amounts for Officers in FY2023

Category	Total compensation amount (millions of yen)	Total amount by compensation type (millions of yen)			Number of eligible officers
		Base compensation	Performance-linked compensation	Non-cash compensation	
Members of the Board	145	121	—	24	7
(of which, outside members)	(25)	(25)	(—)	(—)	(4)
Members of the Board (Members of Audit & Supervisory Committee)	35	35	—	—	5
(of which, outside members)	(17)	(17)	(—)	(—)	(3)
Total	180	155	—	24	12
(of which, outside officers)	(41)	(41)	(—)	(—)	(7)

- Notes: 1. The table above includes one member (one outside member) and two members of the Board (who were Audit & Supervisory Committee members; including one outside member) who retired at the conclusion of the 65th Ordinary General Meeting of Shareholders held on June 23, 2023.
2. The total compensation amount for Board members does not include the employee salary portion for members who concurrently serve as employees.
3. The maximum monetary compensation for Board members (excluding those who are Audit & Supervisory Committee members) is ¥400 million per year (including ¥30 million for outside members), as resolved at the Ordinary General Meeting of Shareholders held on June 9, 2015. At the conclusion of this meeting, the number of Board members (excluding those who were Audit & Supervisory Committee members) was five (including two outside members). Furthermore, bonuses for Board members (excluding those who are Audit & Supervisory Committee members) are paid within the aforementioned compensation limit of ¥400 million per year.
4. The maximum monetary compensation for Board members who are Audit & Supervisory Committee members is ¥80 million per year, as resolved at the Ordinary General Meeting of Shareholders held on June 9, 2015. At the conclusion of this meeting, the number of Board members who were Audit & Supervisory Committee members was three.
5. At the Ordinary General Meeting of Shareholders held on April 15, 2018, the compensation amount for restricted stock granted to Board members (excluding outside members and those who are Audit & Supervisory Committee members) that may be allocated (up to ¥40 million per year) within the aforementioned annual amount of ¥400 million, and related details were resolved. At the conclusion of this meeting, the number of Board members (excluding outside members and those who were Audit & Supervisory Committee members) was three.
6. The Company grants stock compensation to Board members (excluding outside members and those who are Audit & Supervisory Committee members). This non-cash compensation (stock compensation and stock options) is granted at a specific time each fiscal year, in an amount corresponding to the relevant position. Stock compensation is provided in the form of restricted stock (RS) and is subject to the completion of a one-year tenure. The transfer restriction is lifted after a three-year restriction period has elapsed. The Company has granted 16,500 shares to three directors (excluding those who are Audit & Supervisory Committee members and outside directors) as stock compensation.

## Support System for Outside Members of the Board

As deemed necessary, World provides outside members of the Board with appropriate and timely information required for the execution of their duties, particularly through agenda items submitted to the Board of Directors. This ensures thorough deliberations at Board meetings. In addition to deliberations on proposals, we set aside time to offer explanations and other information on issues and situations to deepen their understanding of Group businesses and challenges.

### Specific Initiatives

- Roughly one week before Board meetings, agendas are shared, and weekly information is provided on the agendas and materials for Management Meetings and other important internal meetings.
- Opinion exchange meetings are held with business managers (six times a year), and factories and stores are visited (several times a year) to achieve a deeper understanding of the Group's businesses.

## Policy on Reducing Cross-Shareholdings

World is progressively reducing its cross-shareholdings, and, in principle, aims not to hold such shares. However, we may hold shares of other companies for strategic reasons if we deem that doing so will help maintain trading relationships, create business opportunities, or otherwise contribute to an improvement in our medium- to long-term corporate value.

When exercising voting rights for cross-shareholdings, we comprehensively evaluate whether the proposals contribute to an improvement in the value of the partner company, consider the impact on our corporate value, and assess other relevant factors.

For cross-shareholdings held by our Group (including those acquired through M&A), the Board of Directors annually reviews the necessity and rationale for continuing to hold each stock. This review primarily considers the appropriateness of the holding purpose and the associated benefits and risks.

## Group Governance (Shareholdings in Narumiya)

On February 21, 2022, World became the parent company of Narumiya International Co., Ltd. (Tokyo Stock Exchange Standard Market). By converting this equity-method affiliate into a consolidated subsidiary, we are now able to share management resources that could not be shared with an equity-method affiliate, including personnel, store assets, funds, and confidential data collected in the course of business operations, such as product, sales, and inventory information. We aim to maximize synergies for both companies through the mutual utilization of these management resources. To this end, we signed a capital and business alliance agreement with Narumiya on January 13, 2022, but have not entered into an agreement related to Group management. Narumiya makes independent decisions in accordance with the management philosophy and policies of its Group, and this ensures its autonomy in our view. We believe that Narumiya's listing contributes to its credibility with customers and business partners, enhancing its corporate value through increased business opportunities and other benefits, which in turn increases the corporate value of our Group. For the reasons highlighted above, we judge that the benefits of Narumiya's listing outweigh the restrictions and costs of considering the interests of shareholders other than World, and therefore see ample significance in Narumiya maintaining its status as a publicly listed company.



## Members of the Board (as of September 30, 2024)



### Nobuteru Suzuki

Representative Director of the Board  
President and Executive Officer

Mar. 1999 Joined Andersen Consulting Co., Ltd.  
(currently Accenture Japan Ltd.)

Sep. 2004 Joined Roland Berger Ltd.

May 2010 Joined Enterprise Turnaround Initiative  
Corporation of Japan

Feb. 2012 Joined The Boston Consulting Group K.K.

Sep. 2012 Joined World Co., Ltd.

Jun. 2014 Executive Officer,  
Executive General Manager of SPARCS  
Promotion Division, World

Apr. 2015 Managing Executive Officer,  
Executive General Manager of Structural  
Reform Headquarters, World

Oct. 2015 Managing Executive Officer,  
Executive General Manager of Structural  
Reform Headquarters,  
Executive General Manager of International  
Headquarters, World

Apr. 2017 Senior Managing Executive Officer,  
Responsible for Group Planning  
Headquarters and D-GROWTH Strategy  
Headquarters, World

Apr. 2018 Senior Managing Executive Officer,  
Supervising the Group strategies,  
Responsible for Group Planning  
Headquarters and D-GROWTH Strategy  
Headquarters, World

Jun. 2020 Representative Director of the Board,  
President and Executive Officer, World  
(current position)



### Keiichi Nakabayashi

Member of the Board  
Executive Vice President and Executive Officer

Apr. 1995 Joined Kankaku Research Institute Co., Ltd.  
(currently Mizuho Securities Co., Ltd.)

Oct. 1997 Joined SBC Warburg Japan Ltd.  
(currently UBS Securities Japan Co., Ltd.)

Jul. 2003 Joined Industrial Revitalization Corporation  
of Japan

Jan. 2007 Joined Frontier Management Inc. as  
Executive Officer

Nov. 2011 Managing Executive Officer, Frontier  
Management Inc.

Jul. 2013 Joined World Co., Ltd. as Executive Officer,  
Deputy Executive General Manager of  
Corporate Management Headquarters

Dec. 2013 Executive Officer,  
Executive General Manager of Corporate  
Management Headquarters, World

Apr. 2015 Managing Executive Officer,  
Executive General Manager of Corporate  
Platform Headquarters, World

Apr. 2017 Managing Executive Officer,  
Executive General Manager of Group  
Support Headquarters, World

Apr. 2018 Managing Executive Officer,  
Supervising the Group financing,  
Responsible for Group Support  
Headquarters, World  
Joint Representative of World Investment  
Network Co., Ltd.

Jun. 2020 Executive Vice President and Executive  
Officer, World  
Joint Representative of World Investment  
Network Co., Ltd.

May 2024 Member of the Board,  
Executive Vice President and Executive  
Officer, World (current position)  
Joint Representative, World Investment  
Network Co., Ltd. (current position)

May 2024 Director, Narumiya International Co., Ltd.  
(current position)



### Mitsuyoshi Hatasaki

Member of the Board

Mar. 1987 Joined former World Co., Ltd.

Jun. 1991 Member of the Board, World

Jun. 1996 Senior Managing Member of the Board,  
Executive General Manager of Personnel  
Headquarters, World

Jun. 1999 Executive Officer,  
Head of Second Generation Middlemix  
Group, World

Jun. 2002 WEL,  
Head of Sport Casual Group, World

Apr. 2008 WEL,  
Department Manager of Corporate Strategy  
Department, World

Jun. 2013 Executive Officer,  
Deputy Executive General Manager of  
Corporate Support Headquarters, World

Jun. 2017 Member of the Board, World  
(current position)



### Hidehiko Aoki

Outside Member of the Board  
Chairman of the Board

Apr. 1989 Joined Nomura Research Institute, Ltd.,  
assigned to Investment Research  
Department

Jan. 1997 Seconded to Research Department of U.S.  
Nomura Securities International, Inc.

Jul. 2000 Joined Goldman Sachs Japan Co., Ltd.  
Vice President of Research Department,  
Tokyo Branch

Jul. 2005 Joined Merrill Lynch Japan Securities  
Co., Ltd.  
(currently BofA Securities Japan Co., Ltd.)  
Managing Director of Research Department

Sep. 2017 Joined Nomura Securities Co., Ltd.  
Managing Director of Equity Research  
Department

Sep. 2020 Professor of Department of Management of  
Technology, Tokyo University of Science,  
Graduate School of Management  
(current position)

Dec. 2021 Outside Director of KATO SANGYO CO., LTD.  
(current position)

Jun. 2023 Member of the Board, World Co., Ltd.  
(current position)



## Hideya Sato

### Outside Member of the Board

Apr. 1987	Joined IBM Japan, Ltd.
Mar. 2001	Joined Salesforce.com Co., Ltd.
Apr. 2005	Director and President of THE HEAD INC.
Mar. 2006	Representative Director, President of TerraSky Co., Ltd. (current position)
Aug. 2012	CEO of TerraSky Inc. (current position)
Oct. 2013	Outside Director of Serverworks Co., Ltd.
May 2014	Representative Director and President of Sky365 Co., Ltd.
Mar. 2016	Representative Director and President of BeeX Inc.
Aug. 2016	Director of Kitalve Inc.
Oct. 2016	Director of Sky365 Co., Ltd. (current position)
Aug. 2017	Director of BeeX Inc.
Mar. 2019	Director of TerraSky Ventures Co., Ltd. (current position)
May 2019	Director of Cuon.inc. (current position)
Jun. 2019	Member of the Board, World Co., Ltd. (current position)
Jun. 2019	Director of Quemix Inc. (current position)
Dec. 2019	Representative Director and President of TerraSky Thailand co., Ltd. (current position)
Feb. 2020	Director of TerraSky Thailand co., Ltd. (current position)
Jan. 2021	Director of LiberSky Co., Ltd. (current position)
Feb. 2021	Director of TerraSky Technologies Co., Ltd. (current position)
Mar. 2021	Director of ENOKI Inc. (current position)
Jan. 2022	Director of DiceWorks Inc. (current position)



## Hayuru Tsutsumi

### Outside Member of the Board

Jan. 1987	Joined BRITISH CALEDONIAN AIRWAYS LIMITED.
Apr. 1988	Joined BRITISH AIRWAYS PLC
Sep. 1997	Joined Skymark Airlines Inc.
Sep. 1998	Joined ALC EDUCATION INC.
Sep. 2002	Joined NIHON L'ORÉAL K.K.
Mar. 2007	Joined Recruit Executive Agent Co., Ltd.
Nov. 2012	Representative Director of Hayuru Corporation Co., Ltd.
May 2014	Outside Director of LIFE CORPORATION
Aug. 2020	Representative of OFFICE HAYURU (current position)
May 2021	Auditor of Incorporated Educational Institutions, Osaka Jogakuin (current position)
May 2024	Member of the Board, World Co., Ltd. (current position)



## Naoteru Matsuzawa

### Member of the Board (Member of Audit & Supervisory Committee)

Apr. 1984	Joined former World Co., Ltd.
Oct. 2001	General Manager of Personnel Resources Planning Department, World
May 2007	Representative Director, Le Monde Des Gourmet Inc.
May 2011	Senior Manager of FCMS General Affairs Department, World
May 2014	Deputy Executive General Manager of Personnel Headquarters, World
Nov. 2014	Executive General Manager of Personnel Headquarters, World
Apr. 2015	Executive Officer, Executive General Manager of Personnel Headquarters, World
Apr. 2017	Senior Executive Officer, Executive General Manager of Group Personnel Headquarters, World
Apr. 2018	Executive Officer, Executive General Manager of Group Personnel Headquarters, World
Apr. 2020	Executive Officer, Executive General Manager of Group Support Headquarters, World
Apr. 2021	Executive Officer, Deputy Executive General Manager of Group Planning Headquarters, World
Jan. 2023	Group Executive Officer, Executive General Manager of the NeoEconomy Business Headquarters, Deputy Executive General Manager of the Group Planning Headquarters, World
Apr. 2023	Executive Officer, Assistant to the President, World
Jun. 2023	Member of the Board (Member of Audit & Supervisory Committee), World (current position)



## Kanae Fukushima

### Outside Member of the Board (Member of Audit & Supervisory Committee)

Apr. 2000	Assistant to Judge at Tokyo District Court
Aug. 2004	Assistant Judge at Yokohama District Family Court Odawara Branch
Apr. 2005	Assistant Judge at Naha District Family Court
Apr. 2008	Assistant Judge at Tokyo District Court
Apr. 2010	Judge at Tokyo District Court
Apr. 2012	Judge at Kobe District Court
Apr. 2014	Judge at Tokyo High Court
Apr. 2016	Professor of Legal Training and Research Institute
Mar. 2019	Registered with the Daiichi Tokyo Bar Association
Apr. 2019	Joined Utsunomiya Shimizu & Haruki Law Office (current position)
Jun. 2022	Outside Director (Audit & Supervisory Committee Member) of WOW WORLD Inc.
Aug. 2022	Outside Corporate Auditor of iXs Co., Ltd. (current position)
Oct. 2022	Outside Director (Audit & Supervisory Committee Member) of WOW WORLD GROUP Inc.
Jun. 2023	Member of the Board (Member of Audit & Supervisory Committee), World Co., Ltd. (current position)
Dec. 2023	Public Interest Member, Tokyo Metropolitan Government Labor Relations Commission (current position)
Jun. 2024	Outside Corporate Auditor, Solasto Corporation (current position)



## Naoko Tomita

### Outside Member of the Board (Member of Audit & Supervisory Committee)

Apr. 1988	Joined Mitsui Mutual Life Insurance Company (currently TAIJU LIFE INSURANCE COMPANY LIMITED)
Jan. 1994	Joined Tohmatsu & Co. / Deloitte & Touche LLP; New York
Feb. 1997	Joined IBJ Investment, Ltd.
Dec. 1999	Director and Chief Financial Officer of Crayfish Co., Ltd.
Sep. 2001	Joined General Electric International, Inc.
Aug. 2003	Joined Industrial Revitalization Corporation of Japan
Sep. 2004	Outside Director of OCC Corporation
Apr. 2007	Executive Advisor of Bandai Namco Holdings Inc.
Aug. 2015	Joined Deloitte Tohmatsu Financial Advisory Co., Ltd.
Jul. 2016	Deputy Director and Chief Financial Professional Inspector of Research Planning Section No. 2. Planning and Management Division, Supervision Bureau, and Director of Financial Research Center of Financial Services Agency
Dec. 2019	Chief Financial Officer of DNX Ventures (current position)
Dec. 2021	Outside Director who is an Audit & Supervisory Committee member of WHI Holdings Co., Ltd. (current position)
Aug. 2022	Outside Director of INTELLEX Co., Ltd. (current position)
May 2024	Member of the Board (Member of Audit & Supervisory Committee), World Co., Ltd. (current position)

## Risk Management

### Basic Approach

The WORLD Group constantly prepares for potential risks and emergencies, including natural disasters, from a business continuity perspective. To this end, we have created an internal organization to maintain a communication network, set up a Crisis Management Headquarters, and implement other necessary measures. Furthermore, we have created a Crisis Management Manual in an effort to inform Group employees about emergency response procedures. In the event of an emergency, the Crisis Management Headquarters, under the leadership of the President, will swiftly verify facts, investigate causes, decide on countermeasures, and address the situation.

If any risk materializes despite our crisis management organization, we will conduct thorough investigations to determine the causes, consider measures to prevent recurrence, and continuously introduce improvements.

### Management Structure

The Risk Management Committee, organized under the leadership of the Representative Director of the Board, President and Executive Officer, appoints responsible officers and departments. It promotes our Compliance and Risk Management Program across the entire Group and deliberates on issues and countermeasures.

Our risk management regulations (Crisis Management Regulations) apply to the entire Group, and the Risk Management Committee comprehensively and integrally manages risks across the Group.

Our risk management departments manage the occurrence, responses, impacts, and other aspects of risks in a uniform manner as set forth in the Crisis Management Regulations.

Based on these regulations and our Risk Classification Manual, the Group Internal Audit Office conducts audits and other evaluations.

### Internal Control Systems

#### Basic Policy

The Board of Directors has resolved to establish the following systems (hereinafter "Internal Control Systems") to ensure the appropriateness of the Company's operations.

#### Development of Internal Control Systems

In accordance with the Companies Act and the Regulations for Enforcement of the Companies Act, World has developed the following Internal Control Systems.

#### Basic Policy on Development of Internal Control Systems

- a. A system to ensure that the execution of duties by the Company's Board members and employees (including Group executive officers, hereinafter the same), as well as by the Board members and employees of the Company's subsidiaries, complies with laws, regulations, and the Articles of Incorporation
- b. A system to preserve and manage information related to the execution of duties by the Company's Board members
- c. Regulations and other systems to manage the risk of losses within the Group
- d. A system to ensure that the Board members of the Group execute their duties efficiently
- e. A system to report matters related to the execution of duties by Board members and employees of the Company's subsidiaries to the Company
- f. A system to ensure the appropriateness of operations within the corporate group, which includes the Company, its parent company, and its subsidiaries
- g. Matters related to employees who should assist the duties of the Company's Audit & Supervisory Committee, matters related to the independence of such employees from Board members (excluding those who are Audit & Supervisory Committee members), and matters related to ensuring the effectiveness of instructions from the Audit & Supervisory Committee to such employees
- h. A system for reporting to the Company's Audit & Supervisory Committee by the Company's Board members (excluding those who are Audit & Supervisory Committee members) and employees, by the Board members and employees of the Company's subsidiaries, or by individuals who have received reports from these parties
- i. A system to ensure that individuals who report to the Company's Audit & Supervisory Committee are not treated unfavorably as a result of their reporting
- j. Procedures for the prepayment or reimbursement of expenses incurred in the execution of duties by the Company's Audit & Supervisory Committee, policies for handling other expenses or debts arising from the execution of such duties, and other systems to ensure that audits by the Audit & Supervisory Committee are conducted effectively
- k. A system for the elimination of organized crime groups

### Elimination of Organized Crime Groups / Basic Approach and Implementation Status

The WORLD Group Code of Conduct and our Basic Policy on Internal Controls set forth a basic policy of not maintaining relationships of any kind with organized crime groups. Our system for the elimination of organized crime groups is implemented as follows.

- (1) Appointment of responsible department and officer responsible for preventing unreasonable demands  
The Planning and Operation Department has been designated as the responsible unit, and officers tasked with preventing improper demands have been assigned to the Tokyo and Kobe offices.
- (2) Collaboration with external specialized organizations  
We collaborate with external specialized organizations such as the police, the Tokuboren (a public interest incorporated association within the Tokyo Metropolitan Police Department for preventing violent crime), and Prefectural Corporate Defense Measures Councils to seek guidance on dealing with organized crime groups.
- (3) Collection and management of information on organized crime groups  
The responsible department routinely collects and accumulates information on organized crime groups.
- (4) Development of response manual  
We regularly review and update our Manual for Dealing with Organized Crime Groups.
- (5) Implementation of training activities  
Through the Group's compliance training programs, we regularly educate employees on the basic approach toward, and response measures for, the elimination of organized crime groups.

## Compliance

### Basic Approach

The WORLD Group Code of Conduct applies to consolidated subsidiaries in Japan. Within our internal regulations, rules that can be standardized across the Group are established as common Group regulations. Our Code of Conduct and internal regulations serve as the foundation for promoting our compliance program throughout the WORLD Group.

### Management System

The Risk Management Committee is organized under the leadership of the Representative Director of the Board, President, and Executive Officer. It appoints responsible officers and departments to promote our Compliance and Risk Management Program across the entire Group, and deliberates on issues and countermeasures.

### Compliance Promotion Activities

World creates compliance programs tailored to the nature of duties and hierarchical levels of each position and continuously provides successive training opportunities. We regularly check and evaluate the level of group-wide awareness and adherence to our Code of Conduct. We review the overall compliance system of the WORLD Group in a timely and appropriate manner, aiming for further improvement and promotion.

### Corporate Ethics Hotline (Internal Whistleblowing System)

World operates an internal whistleblowing system (Corporate Ethics Hotline) based on its Internal Whistleblowing Regulations. This system is designed to collect information on violations of the Code of Conduct, fraudulent activities, and other improper conduct, and to address reported cases.

The Corporate Ethics Hotline can be utilized for consultations when issues related to the Code of Conduct are difficult to resolve within the workplace, when it is inappropriate to consult with a superior, or for inquiries regarding the Code of Conduct. In FY2023, the hotline received 55 reports across the entire Group.

### Initiatives to Strengthen Compliance

The WORLD Group seeks to establish and evolve the “WORLD Fashion Ecosystem,” a fashion business model that is unique in the world, as its medium- to long-term vision. By realizing fashion diversity and sustainability, we aim to continuously offer the joy of fashion to our customers in various forms. To achieve sustainable and replicable growth and thereby realize our medium- to long-term vision, we need to pursue not only short-term profit growth but also steadily improve ESG-related management, which serves as the foundation of our management. We believe various factors will play an important role in this effort, including establishing the foundations necessary to balance and achieve both diversity and sustainability, which is in sync with the execution of our strategy for sustainable development goals (SDGs), and creating a virtuous cycle in which improvements in employee value help increase corporate value. In particular, we regard evolution driven by a diversification of governance as a top priority, and we are committed to consistently reinforcing proper governance.

To further instill the principle that “sound governance takes precedence over everything else,” we conduct compliance training for officers and employees. In addition, we provide ongoing education and awareness activities on compliance, including workshop-style training tailored to the specific characteristics of individual business units, as well as training sessions targeted at management personnel.

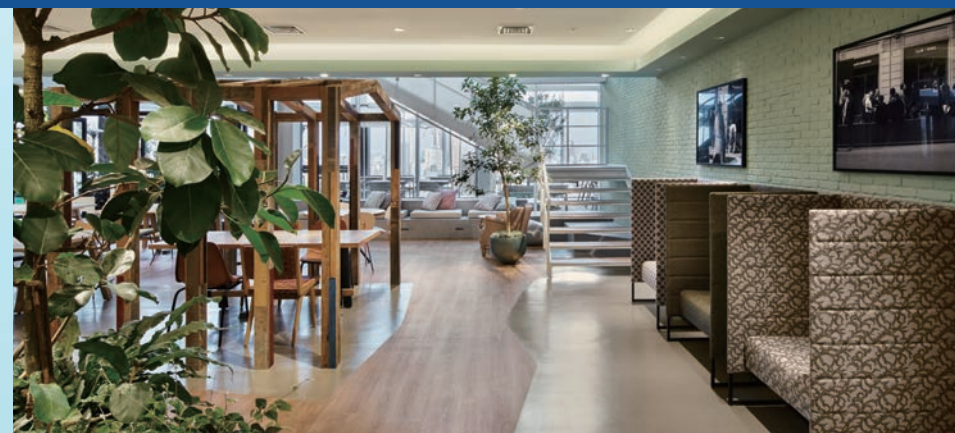
We have introduced an internal whistleblowing system (Corporate Ethics Hotline) to handle compliance reports related to actions or incidents that violate laws, regulations, or internal rules. To raise awareness of the Corporate Ethics Hotline among officers and employees, we widely and thoroughly disclose and disseminate information by discussing the system during the annual compliance training and providing an overview of the system and related contact details on the Company intranet. The status of responses to internal whistleblowing reports is regularly reported to the Risk Management Committee and the Audit & Supervisory Committee to monitor whether the system is properly managed.

#### ► Number of internal whistleblowing reports received

FY2019	FY2020	FY2021	FY2022	FY2023	Total (five-year period)
27	53	59	58	55	252



# CORPORATE DATA



# 11-Year Financial and Non-Financial Summaries

Note: FY02/24 was an irregular 11-month accounting period due to a change in the fiscal year-end. Accordingly, the revenue and core operating profit figures by segment are provided only as reference values.

		FY03/14	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY02/24
<b>Profit and Loss</b>												
Revenue	(millions of yen)	304,108	292,639	271,575	249,983	245,829	249,861	236,265	180,322	171,344	214,246	202,342
Gross profit	(millions of yen)	176,803	167,546	155,912	146,215	144,888	144,673	138,171	97,070	98,647	123,935	118,369
Core operating profit	(millions of yen)	9,291	5,263	11,668	14,463	15,923	16,320	13,065	(6,499)	5,389	13,539	13,569
Operating profit	(millions of yen)	6,048	5,508	3,576	12,066	13,225	14,827	12,351	(21,637)	2,196	11,686	12,004
Profit before tax	(millions of yen)	4,370	6,842	2,970	10,558	11,144	13,596	11,437	(22,556)	1,410	10,313	11,186
Profit attributable to owners of parent	(millions of yen)	2,041	4,509	743	8,150	6,743	9,200	8,080	(17,149)	239	5,686	6,764
Cash flows from operating activities	(millions of yen)	13,522	8,332	14,291	16,723	20,528	12,496	26,889	4,155	17,321	25,389	27,459
Cash flows from investing activities	(millions of yen)	(270)	704	9,769	(20,379)	(5,908)	(17,218)	(7,941)	(2,679)	(2,035)	(4,379)	(1,961)
Free cash flow	(millions of yen)	13,252	9,036	24,060	(3,657)	14,620	(4,723)	18,948	1,476	15,287	21,010	25,498
Cash flows from financing activities	(millions of yen)	(15,317)	(9,666)	(11,446)	(3,284)	(14,844)	3,453	(18,235)	(1,144)	(14,784)	(21,771)	(25,500)
Net increase (decrease) in cash and cash equivalents	(millions of yen)	(1,864)	(359)	12,231	(7,022)	(176)	(1,381)	651	445	717	(719)	163
Free cash flow in real terms <sup>*1</sup>	(millions of yen)	8,398	4,058	18,322	(7,688)	10,572	(7,981)	2,193	(14,426)	2,068	7,053	13,514

## Financial Conditions (Fiscal Year-End)

Total assets	(millions of yen)	200,372	200,092	184,864	193,770	202,938	213,546	261,996	245,386	251,690	251,421	239,685
Total liabilities and equity	(millions of yen)	200,372	200,092	184,864	193,770	202,938	213,546	261,996	245,386	251,690	251,421	239,685

## Financial Indicators

ROE (Profit attributable to owners of parent/Average equity attributable to owners of parent over the business period)	(%)	20.6	38.1	5.9	49.4	28.5	17.7	10.2	(21.4)	0.3	7.1	7.1
ROIC (Return on invested capital) <sup>*2</sup>	(%)	3.7	3.1	1.4	10.3	8.7	8.7	6.3	(11.1)	0.7	4.8	4.8
Net D/E ratio	(times)	7.87	7.35	5.69	4.02	2.74	0.81	0.80	0.84	0.87	0.76	0.71
Total number of issued shares (common stock) <sup>*3</sup>	(shares)	240,002,400	240,002,404	240,002,404	240,002,404	240,002,404	34,390,965	34,390,965	34,390,965	34,390,965	34,390,965	34,390,965
Total number of issued shares <sup>*3</sup> (common stock, excluding treasury stock)	(shares)	240,002,400	90,193,891	90,193,891	90,193,891	91,064,891	33,286,065	33,325,365	33,684,071	33,829,935	33,970,758	34,032,157
Earnings per share	(yen)	8.50	136.74	41.19	451.80	373.76	354.70	242.53	(511.08)	(7.79)	152.73	187.37

<sup>\*1</sup> Free cash flow in real terms is calculated using the following formula:

Free cash flow + Repayments of lease liabilities (cash flow from financing activities)

<sup>\*2</sup> The ROE and ROIC figures for FY02/24 are presented on a 12-month basis.

<sup>\*3</sup> On July 12, 2018, World conducted a 1-for-5 reverse stock split of its common shares.

## 7-Year Non-Financial Summary

		Scope	Units	FY03/18	FY03/19	FY03/20	FY03/21	FY03/22	FY03/23	FY02/24
<b>Environment</b>										
Greenhouse gas emissions	Scope 1: Direct emissions by business operators (fuel combustion)	Domestic consolidated companies	t-CO <sub>2</sub>	2,894	2,613	2,540	2,297	3,179	2,457	2,004
	Scope 2 (location-based): Electricity, heating, and steam supplied by other companies	Domestic consolidated companies	t-CO <sub>2</sub>	36,572	35,061	34,425	26,327	28,654	23,015	19,581
	Scope 3: Indirect emissions (emissions by other companies related to business operator activities)									
	Category 1 <sup>1</sup> : Purchased goods and services	Domestic consolidated companies	t-CO <sub>2</sub>	—	—	—	—	390,381	314,598	418,462
	Category 4 (upstream only) <sup>1,2</sup> : Upstream transportation and distribution	Domestic consolidated companies	t-CO <sub>2</sub>	—	—	—	—	2,419	1,963	2,516
	Category 6: Employee business travel	Domestic consolidated companies	t-CO <sub>2</sub>	—	—	—	—	—	—	562
	Category 7: Employee commuting	Domestic consolidated companies	t-CO <sub>2</sub>	—	—	—	—	—	—	1,631
	Category 8 (recorded in Scope 1 and 2 emissions): Upstream leased assets – office equipment and PCs	—	t-CO <sub>2</sub>	—	—	—	—	—	—	—
	Category 9: Downstream transportation and distribution	Domestic consolidated companies	t-CO <sub>2</sub>	—	—	—	—	—	968	1,040
Energy consumption	Gas consumption	Domestic consolidated companies	m <sup>3</sup>	241,499	203,521	219,486	159,982	114,051	185,225	121,684
	Heavy oil	Domestic consolidated companies	kl	974	942	829	718	724	700	529
	Electricity consumption	Domestic consolidated companies	thousand kWh	74,202	70,951	75,168	60,439	65,616	57,037	47,388
	Share of renewable energy in total electricity consumption	Domestic consolidated companies	%	0	0	0	0	0	5.5	14.3
	Water consumption (offices and factories)	Group offices and factories	m <sup>3</sup>	—	—	—	—	—	32,093	31,231
General waste, industrial waste, and food waste		Offices (WORLD Kobe Head Office, WORLD Kita-Aoyama Bldg.)	kg	—	—	—	—	—	28,310	50,337
Volume of discarded products		Domestic consolidated companies	items	562,674	985,639	861,470	1,638,361	514,295	253,556	381,295
Number of clothing items circulated										
	Number of clothing and other items collected (Ecoromo Campaign)	Domestic consolidated companies	items	2,287,486	2,283,838	1,978,620	1,016,831	1,101,093	1,022,170	1,263,259
	Number of items sold in the secondary and semi-secondary markets (circular business companies)	Tin Pan Alley Co., Ltd., & Bridge Co., Ltd.	items	1,064,191	1,051,020	1,186,082	1,216,807	1,439,210	1,357,578	1,360,951
	(Total)		items	3,351,677	3,334,858	3,164,702	2,233,638	2,540,303	2,379,748	2,624,210
<b>Social</b>										
Employee data	Number of employees	Consolidated companies	people	11,020	10,088	9,683	9,099	8,388	7,648	7,183
	Ratio of mid-career hires	Domestic consolidated companies	%	—	—	68.4	66.9	69.7	67.6	62.7
	Ratio of mid-career hires in management positions	Domestic consolidated companies	%	—	—	37.6	38.6	60.2	56.1	62.7
	Number of rehired employees	Domestic consolidated companies	people	—	—	193	183	141	155	202
	Number of non-Japanese employees	Domestic consolidated companies	people	—	—	71	72	52	42	45
	Paid leave usage ratio	Domestic consolidated companies	%	—	—	—	—	—	55.5	59.4
	Number of employees with side jobs	Domestic consolidated companies	people	—	—	—	—	—	110	93
	Average monthly overtime hours	Domestic consolidated companies	hours	—	—	—	—	—	6.9	7.94
Employment of individuals with disabilities	Ratio of employees with disabilities	Special subsidiaries and applicable Group companies <sup>3</sup>	%	2.0	2.3	2.4	2.4	2.6	2.7	2.9
Parental and nursing care leave	Number of employees taking parental leave	Domestic consolidated companies	people	—	—	—	—	—	677	463
	Paternity leave usage ratio	Domestic consolidated companies (excluding Narumiya Group and Strasburgo)	%	—	—	—	—	—	5.7	20.0
	Maternity leave usage ratio	Domestic consolidated companies	%	—	—	—	—	—	97.9	100
	Retention rate after return from parental leave	Domestic consolidated companies	%	—	—	—	—	—	69.4	79.2
	Number of working mothers	Domestic consolidated companies	people	—	—	—	—	—	1,933	1,981
Active participation by women	Ratio of female employees	Consolidated companies	%	—	—	78.8	80.0	80.6	79.3	79.9
	Ratio of female managers (section manager and above)	Domestic consolidated companies	%	—	—	18.0	20.7	22.7	23.6	22.0
	Ratio of female managers (equivalent to assistant manager and above)	Domestic consolidated companies	%	—	—	24.0	25.7	25.5	29.4	24.6
	Ratio of women in management positions <sup>4</sup>	Domestic consolidated companies	%	—	—	70.2	72.5	69.9	69.2	68.1
<b>Governance</b>										
Corporate governance	Number of Board members	World Co., Ltd.	people	9	9	9	9	9	9	9
		Male	people	9	8	8	8	8	8	7
		Female	people	0	1	1	1	1	1	2
	Number of independent outside Board members	World Co., Ltd.	people	5	5	5	5	5	5	5
		Male	people	5	4	4	4	4	4	3
		Female	people	0	1	1	1	1	1	2

\*1 We determine the intensity per apparel product item and calculate emissions based on the number of items procured per product. These figures may change depending on calculation and analysis methods required by the market and future refinements.

\*2 Emissions from transportation between the Company's facilities, or from shipment-related logistics for which the expenses are borne by the Company, are not included.

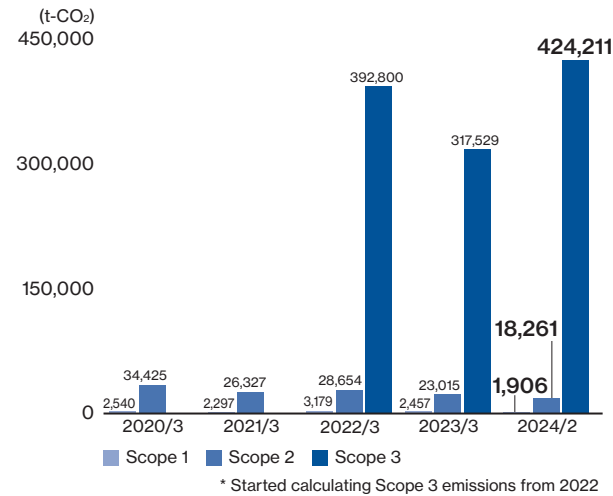
\*3 Information is as of the day following each fiscal year-end.

\*4 Personnel serving in positions of responsibility within the organization (e.g., store managers)

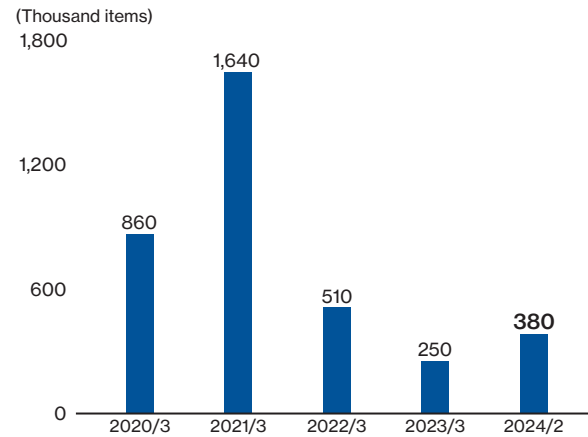
## ESG Highlights

\* FY02/24 was an irregular accounting period due to a change in the fiscal year-end.

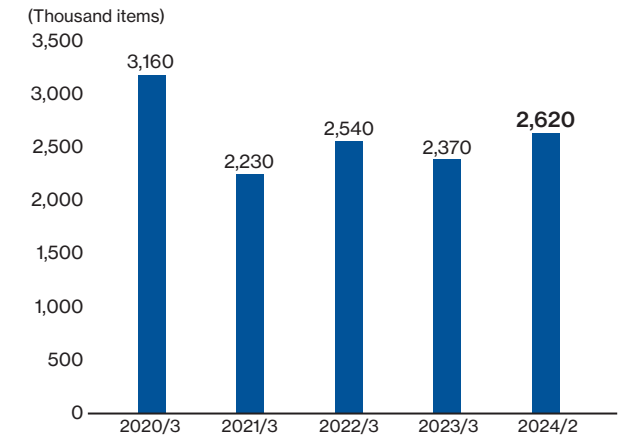
### Greenhouse Gas Emissions



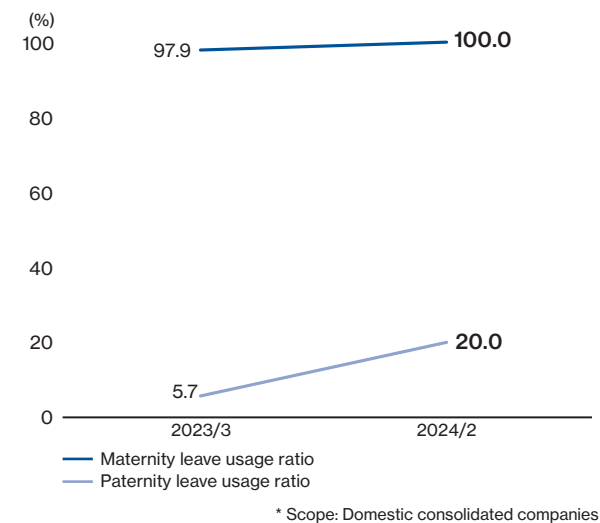
### Product Disposal Volume



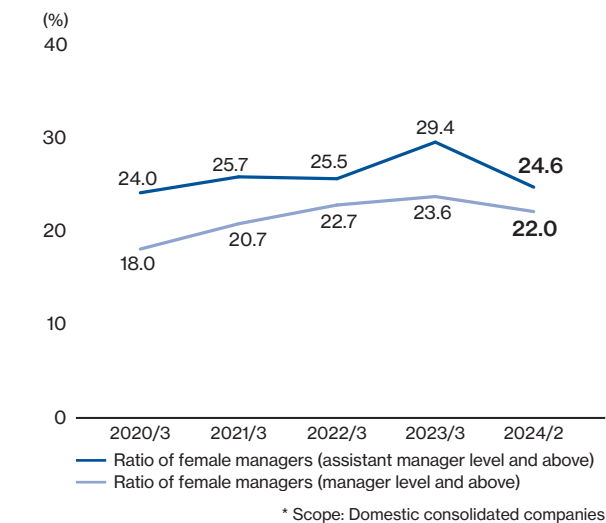
### Number of Clothing and Other Items Circulated



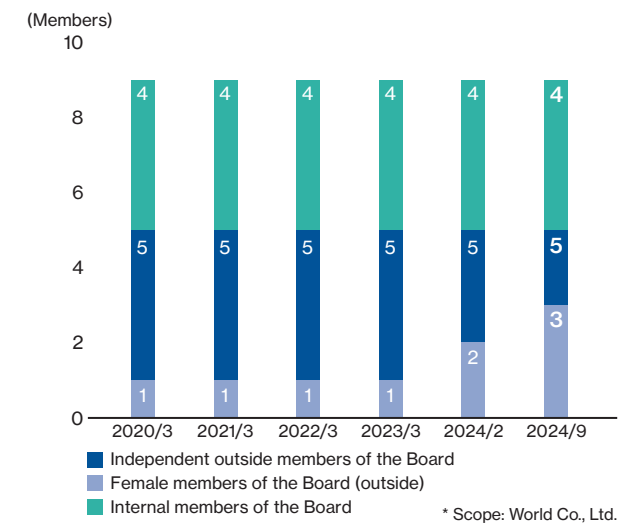
### Parental Leave Usage Ratio



### Ratio of Female Managers



### Number of Board Members





## Company Information

Group business details



### Company Overview (as of February 29, 2024)

Company	World Co., Ltd.
Locations	Kobe Head Office 6-8-1, Minatojima-Nakamachi, Chuo-ku, Kobe, Hyogo Prefecture 650-8585, Japan
	Tokyo Office WORLD Kita-Aoyama Bldg., 3-5-10, Kita-Aoyama, Minato-ku, Tokyo 107-8526, Japan
Established	January 13, 1959
Capital	¥6,000 million
Business activities	As a business holding company, World Co., Ltd. manages the overall operations of the Group companies that run the Brand Business, Digital Business, and Platform Business, and performs tasks incidental to these businesses.
Number of employees	7,183 (consolidated)
Fiscal year-end	February
Number of Group companies	50



Kobe Head Office



WORLD Kita-Aoyama Bldg.

### Group Companies (as of March 1, 2024)

Note: Numbers in parentheses represent the number of Group companies formed by each subsidiary.

Brand Business	Domestic apparel brands	Middle upper	FEELS INTERNATIONAL CO., LTD. (4 companies) EXPLORERS TOKYO CO., LTD. (2 companies)
		Middle lower	ARCUS INTERNATIONAL CO., LTD. (2 companies) PINK LATTE CO., LTD. KAYSWAY CO., LTD. NARUMIYA INTERNATIONAL CO., LTD. (5 companies)
	International	Overseas subsidiaries	WORLD TAIWAN FASHION CO., LTD. WORLD SAHA FASHION CO., LTD.
	Domestic lifestyle brands	Fashion accessories	WORLD LIFESTYLE CREATION CO., LTD. LIFESTYLE INNOVATION CO., LTD. COCOSHNIK CO., LTD.
	Investment	Acquired brands	WORLD INVESTMENT NETWORK CO., LTD. HIROFU CO., LTD. (3 companies) KOBE LEATHER CLOTH CO., LTD. (3 companies) STRASBURGO CO., LTD. W&D INVESTMENT DESIGN INC.* W&D DESIGN LIMITED PARTNERSHIP*
Digital Business	B2B (system solutions)	E-commerce (digital solutions)	FASHION-CO-LAB. CO., LTD. UNITED LOGISOL CO., LTD. OPENFASHION INC.*
	B2C (circular)	Circular	TIN PAN ALLEY CO., LTD. LAXUS TECHNOLOGIES INC. (2 companies) & BRIDGE CO., LTD.
Platform Business	Intermediate holding company		WORLD PLATFORM SERVICE CO., LTD.
	Production platform	Production	WORLD PRODUCTION PARTNERS CO., LTD. LA MODE CO., LTD. IDIOM CO., LTD. WP2 (SHANGHAI) TRADING CO., LTD.
	Sales platform	Sales	WORLD STORE PARTNERS CO., LTD.
	Shared services platform	Administrative services for companies	WORLD BUSINESS SUPPORT CO., LTD.
	Lifestyle platform	Space creation	ASPLUND CO., LTD. WORLD FASHION (SHANGHAI) CO., LTD. WORLD AMBER CO., LTD.

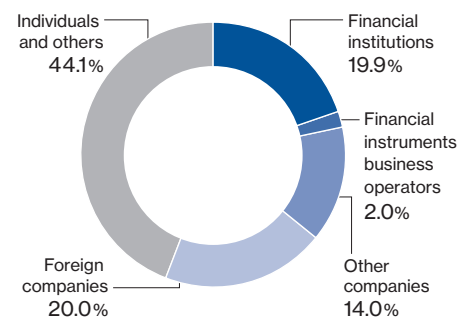
\* Equity-method affiliates

## Shareholder and Investor Information (as of February 29, 2024)

### Stock Overview

Total authorized shares	137,500,000 shares
Total issued shares	34,390,965 shares
Number of shareholders (excluding treasury stock)	25,914
Listed market	Tokyo Stock Exchange Prime Market
Securities code	3612

### Shareholding Distribution by Ownership Category

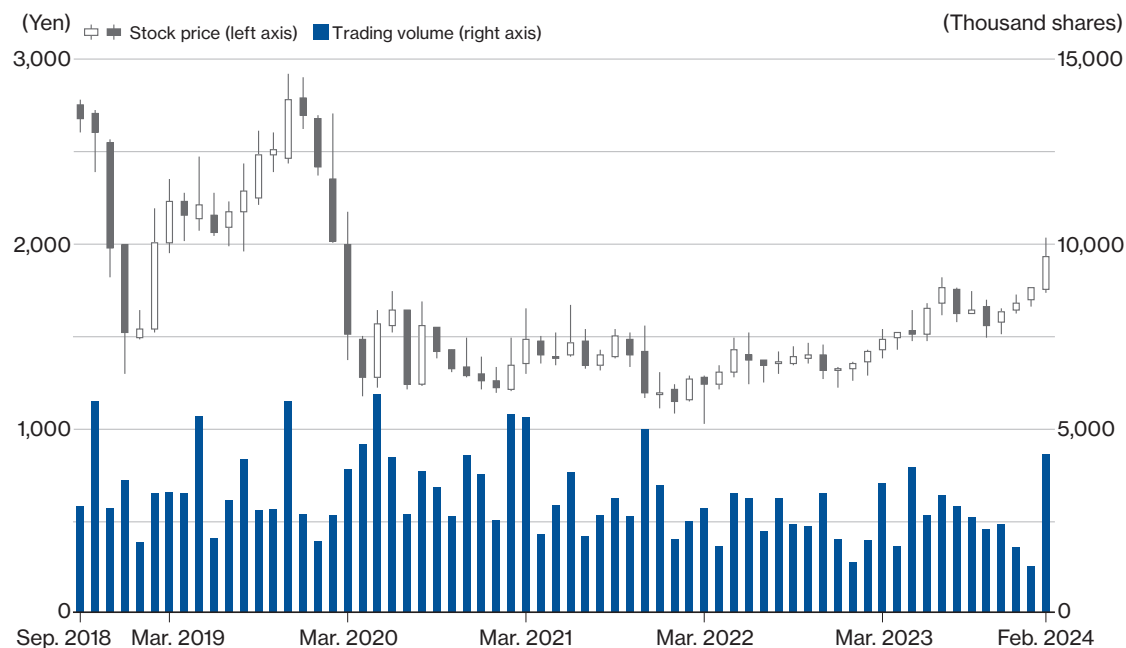


### Major Shareholders

Shareholder	Number of shares held (thousand shares)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,129	12.1
Hidezo Teraei	2,364	6.9
Custody Bank of Japan, Ltd. (Trust Account)	2,027	6.0
AT Kosan Godo Kaisha	1,000	2.9
KM Kosan Godo Kaisha	1,000	2.9
YR Kosan Godo Kaisha	1,000	2.9
Government of Norway	989	2.9
EH Kosan Godo Kaisha	840	2.5
Shigeo Hatasaki	723	2.1
Kenji Kamiyama	682	2.0

Notes: 1. Ownership ratios are calculated excluding 358,808 treasury shares.  
2. The number of shares held is rounded down to the nearest thousand shares, and ownership ratios are rounded to the first decimal place.

### Stock Price and Trading Volume



### Stock Information

	FY03/20	FY03/21	FY03/22	FY03/23	FY02/24
Year-end stock price (Yen)	1,507	1,478	1,240	1,481	1,932
Dividend per share (Yen)	53	0	27	48	56
Dividend payout ratio (%)	325.75	—	—	36.36	40.55
Total shareholder return					
World Co., Ltd. (%)	72.42	71.12	61.63	74.63	97.44
TOPIX Total Return Index (%)	90.50	128.63	131.18	138.81	187.86

