

WORLD MODE HOLDINGS
SUSTAINABILITY REPORT

2022

■ Letter from CEO

To bring more prosperity and happiness to the people and companies of Fashion within the next 30 years so that all inhabitants on earth will continue to be happy.

In times of crisis, we go back to basics.

With this in mind, we launched the Sustainability Project in 2020.

We are pleased to present our second term activity report.

When we held a Sustainability Week in June to promote awareness of sustainability within the company, we were pleased with the growing momentum of heightened awareness within the company. Since the Covid pandemic, we are receiving an increased number of inquiries from our client fashion companies regarding the issues of sustainability and feel the growing interest in sustainability on international levels.

We believe that sustainability issues can be resolved through the cooperation of people who work and enjoy fashion in a cycle that starts from the materials and manufacturing process, passed to the stores and consumers, and ends with recycling and upcycling.

Added to this is further promotion to cooperate between various countries for more impact.

It would be truly wonderful if we could work together for solutions that transcend positions, companies, industries, and national borders under the great mission of protecting the earth and ensuring that all people live happily.

As a company that connects many clients and people in Japan and abroad, we are convinced that we have a role to play by taking advantage of our unique position.

The fashion industry is made up of people and has the power to lead the world's lifestyles.

Our mission is to contribute and accelerate this power.

Sustainability activities of our company, which started with volunteers from each department, are now transforming into those promoted by everyone in the organization.

We will continue to do our best to resolve issues one by one.



World Mode Holdings Co., Ltd.
CEO and President: Shinsuke Kafuku

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INTRODUCTION

PURPOSE / WMH Group and Fashion



With all the people behind fashion to all the consumers who enjoy fashion, We realize a future that makes our hearts dance through fashion. Our mission is to continue to bring joy to people and society, believing in the power of fashion to the fullest.



We are a group company moved by fashion as consumers, that believes in its value, a collective of people who want to contribute to the development of this wonderful industry, and to grow together with people and companies.

Meanwhile today, fashion industry and retail domain are facing difficult times. The pandemic has forced changes in social patterns, and the nature of consumer activities is being revised. Also, it is becoming clear that industries and companies that turn a blind eye to environmental and other social issues and fail to address them as their own business will no longer be needed by society.

Under these circumstances, it is the power of fashion that can brighten the future for us. We aim to fulfill our responsibility as a member of the global fashion community by adapting to changes towards a sustainable future and provide the needed services with an even stronger sense of mission.

OUR GROUP / WMH Business

**We support the development of the fashion industry,
We are the platform for people and services.**

World Mode Holdings, WMH is a unique group in the world that provides highly specialized personnel and services for all needs expanding out from the fashion industry. We aim to be a group that is loved by people and companies who love fashion, and we create the best services and the best teams to meet the challenges at the forefront.



WMH Group operates with registered personnel of experienced employees and expertise in the fashion industry as well as partner companies for our business activities.

In our core human resources business, we operate an outsource of staffing and referral placement business featuring “nationwide coverage of all areas in Japan” and “coverage of all job types,” as well as an industry-specific job site, advisory and outsourced personnel placement services, and a pop-up store operations to solve issues of reduced labor budgets, changes in employment patterns, and the lack of quality talent who wish to work in the industry, in the education business we offer a wide range of education and training programs to meet retail business issues and provide operational consulting services for existing stores. There is an ongoing demand for our store operation outsourcing business, and we are responding to this demand on a nationwide scale by taking advantage of our unique talent pool of professional human resources.

The marketing business is responsible for proposing and executing solutions to client companies' business challenges in a wide range of areas, including digital marketing such as SNS and e-commerce, traditional media utilization, and branding strategy planning. Our Visual Merchandising (VM) business, which leverages its unique industry expertise, provides store design and construction management, VM consulting and training, and VM personnel referral services. In our global business, we have offices in Singapore, Taiwan, Australia, and Vietnam with business focus on human resources, education, and store management services in ASEAN countries. We support our clients' businesses.

In addition to people and services, having cooperation systems with a global perspective, including Japan, is a key feature of our company.

HISTORY / Our History

“ We keep building forward with our founders’ vision in our hearts ”

World Mode Holdings, WMH is a group based on IDAccess co.,Ltd. (currently iDA) founded in 1999 as a consulting company that aimed to provide solutions for the fashion industry.

In its early years, we launched the human resources business specializing in the fashion industry when commissioned to manage the stores of a foreign cosmetics brand entering the Japanese market, also by providing job placement for the sales staff when the same brand withdrew from Japan.

Subsequently, we established the group of companies under WMH in order to provide the varied essential solutions to meet the needs of the industry.

We became the group company that we are today through merging and developing companies, like iDA, has the vision of contributing to the fashion businesses and possess high levels of expertise. In addition, we have established ourselves globally with overseas offices, mainly in ASEAN countries. This gives us the global perspective and as the solution provider for the fashion businesses, we continue to progress as a unique group with the mission to contribute to fashion.

Pre-Group Management

Founding of each company ~ growth

Each operating company was founded on the strong aspirations of its respective founder. They continued to grow and refined their services to meet the needs of the times.

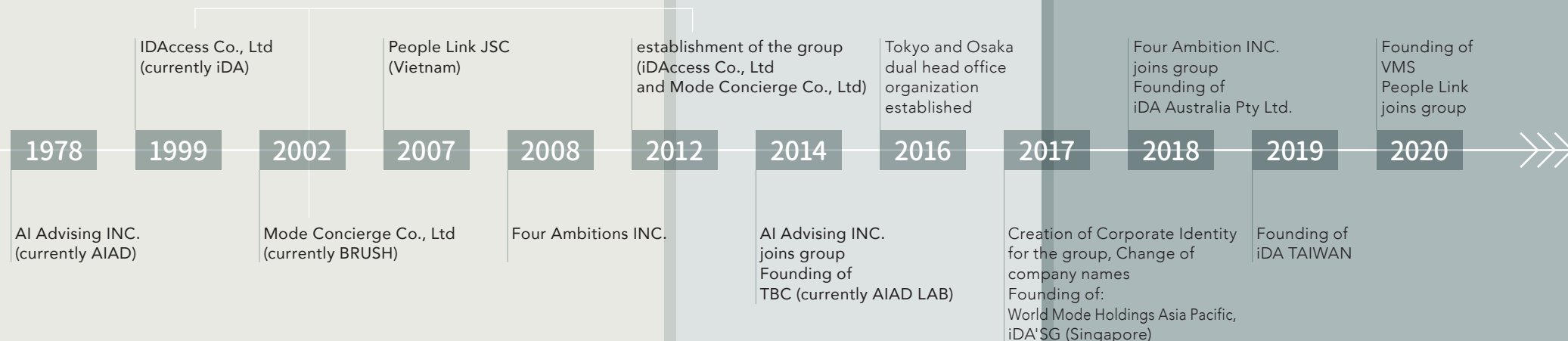
Group Management

Establishment of the Group ~ Reinforcement of the organization

Centered on I.D. Access Co., Ltd, start of group management as World Mode Holdings.

Further diversification and global expansion

We expanded our business global with diversified operations to meet the needs of our clients and working talents



SUSTAINABILITY ISSUES / Challenges facing the fashion industry



The fashion industry is said to have a very large environmental impact in the process from manufacturing, distribution, and sales to consumption and disposal.

In addition, human rights issues have been pointed out at each stage of the process, and this is an issue that must be addressed immediately.

As a provider of services in the fashion industry, mainly in the sales-related business, WMH must understand well the sustainability issues facing the industry and take action to resolve them, while working with the industry itself.



The Environment

The fashion industry is the second largest source of environmental pollution in the world after the oil industry, according to a report by the United Nations Conference on Trade and Development (UNCTAD).

We take this fact seriously and seek to do what we can.

In addition to the use of water resources and chemicals during the manufacturing stage, there are many factors that contribute to the environmental burden, including the depreciation of unsold products, disposal after use by consumers, and greenhouse gas emissions at each stage from upstream to downstream processes.

In recent years, companies and brands have been working to select materials and production methods that take environmental impact into consideration, while the goals and the speed of sustainability initiatives vary among companies and brands. Furthermore, there is room for improvement in the varied brands' promotion of consistent sustainability projects with a shared understanding among the planning and production team, to the head office team to the sales staff on the sales floor. In order to build a circular economy, which is an important issue for the industry to tackle, it is essential to educate consumers, and we believe that the role of sales staff in the stores is also significant.

There are many things WMH can and must do to accelerate the industry's response to environmental issues.



Human rights

The fashion industry involves people from many different countries, from the production of raw materials upstream to the sales floor downstream. It is important that all of these people can work in an environment that is equally fair, safe, and rewarding.

Overseas manufacturing sites located upstream in the supply chain are beginning to take proactive measures to respect human rights, including the introduction of due diligence systems, particularly for some brands. On the other hand, fashion retailers downstream of the supply chain do not necessarily provide an ideal working environment for everyone.

Providing an environment where everyone feels fulfilled in their work, in accordance with the concept of diversity and inclusion that respects and makes the most of each individual, will lead to the sustainability of the fashion industry itself.

In particular, due to the high percentage of women in the industry, we cannot expect the industry to prosper without providing a system that fully takes into account the life cycle of women, including marriage and childbirth.

PROJECT TEAM

As mentioned above, the fashion industry has been lagging behind in addressing environmental, ethical, and other sustainability issues over the past several years. While some brands have made progress in addressing these issues in their product procurement processes, we believe that the industry as a whole still needs to improve its awareness. The concept of sustainability is not a business strategy or a one-time project, but the foundation of corporate management.

This is because the sustainability of our planet must not be compromised by individual corporate activities.

Therefore, WMH launched a Group-wide sustainability project in June 2020, believing that there must be something we can do to contribute to sustainability in the fashion industry by taking action ourselves.

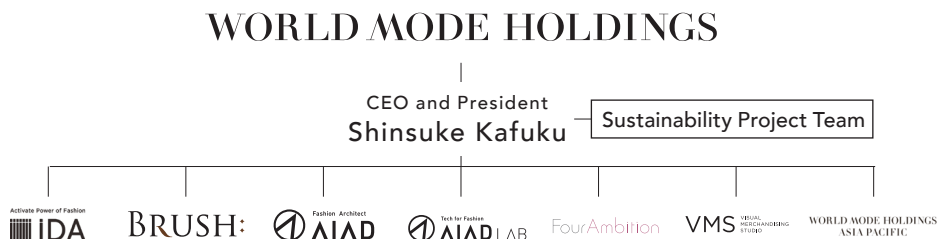
The members of the first phase of the project, who were selected through internal recruitment within the group, consisted of a diverse range of employees from different business companies, departments, job types, locations, and varied tenure within the company.

The sustainability project was positioned as a project under the direct control of the representative director.

In July 2021, the second phase of the project was launched, continuing on from the first phase.

All members have high awareness and aspirations and contribute to unifying the will of the entire WMH Group through regular meetings by connecting group companies across the board to spread and practice the concept of sustainability, which is the foundation of corporate management.

With the scope of activities defined as (1) within the group and (2) the industry as a whole, various initiatives is taking place.



(1) Within the group

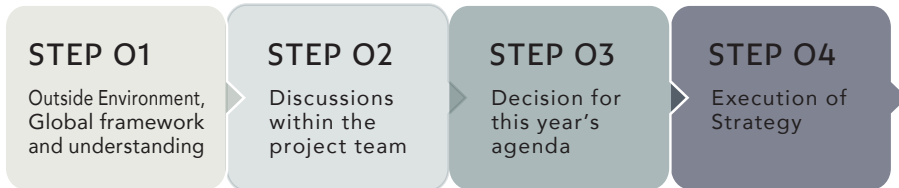
To promote sustainability activities in our company, we felt it was important to first educate the employees working within the group. Therefore, we began by making all employees aware of the sustainability-threatening facts facing the industry, and to gain a deeper understanding of the need for our company to engage in sustainability activities. We believe that understanding the need for sustainability in terms of both the environment and human rights has significantly changed the awareness among employees of our organization.

(2) Industry as a whole

We believe that there must be something we can do because we provide services to various companies and brands across the fashion and beauty industry, centering around the field of retail sales. Our goal for us is to support the sustainability efforts of individual companies and link these activities across companies to create a large industry-wide movement. At the same time, we will accelerate sustainability initiatives at the store level by proposing a variety of concrete measures and projects for retail stores that contribute to sustainability.

PROCEDURE / Key issues

Process for implementing sustainability measures this year



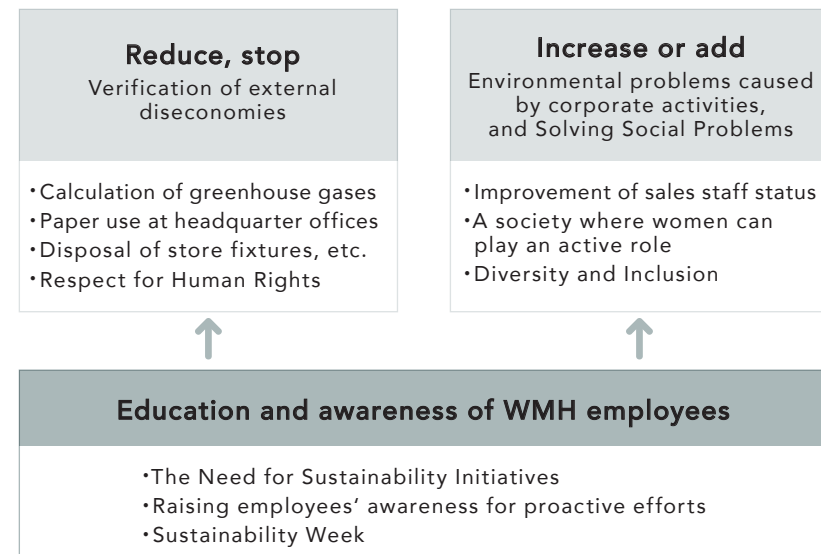
In order to promote sustainability management as a company, we felt that we should start with an accurate understanding of the external environment. The external environment has undergone major changes over the past several years, including the "SDGs," a set of goals for global society developed under the leadership of the United Nations, various international initiatives related to climate change, and "ESG" (environment, society, and governance), which recently, investors and financial institutions demand that companies consider. Additionally, considering CSV (Creation of Common Value) initiatives and the preservation of human rights in the supply chain, for businesses to continue long term, it is vital for companies to be needed and trusted by society. In light of this external environment, this year's Sustainability Project Team has set the following two task items as its mission: (1) to examine external diseconomies and (2) to solve environmental and social problems through corporate activities.

(1) Verification of external diseconomies

Economic activities that may have a negative impact on the environment or society without the company realizing the cost are called "external diseconomies. Considering that corporate activities are only possible when the environment and society are functioning normally, we consider it a high priority to examine the external diseconomies that our company faces and to eliminate them. Although our organization does not have the business in production of fashion products, we have identified several items as critical issues, as indicated in the table below, through a self-assessment to understand the current situation at our business sites and some of our affiliates.

(2) Solving environmental and social problems through corporate activities

The fashion industry has been identified by international organizations as the second most environmentally polluting industry in the world, while respect for human rights in the supply chain has become a major issue. Our corporate group, which mainly provides services in the downstream portion of fashion retail sales, has made improvements for the status of sales staff, for a society where women can play an active role at various life stages, and for diversity and inclusion (D&I) as priority issues.



The realization of these two task items requires the understanding of all WMH employees. It was essential to educate our employees, and our project team members took the lead in implementing measures to achieve this goal. For one of our key actions, the Sustainability Week held in May, had many employees participate and, in this occasion, we further enhanced and ensured employees' awareness for sustainability fostered during the Sustainability Month held the previous year.

An aerial photograph of a dense evergreen forest, likely a spruce or fir forest, with a large white outline of the number 2 overlaid in the center. The forest is a deep green color, and the number 2 is a simple, clean white line drawing.

2

ACTION

ENVIRONMENT / Initiatives for the Environment

WMH Group does not currently have a manufacturing function as its business, but as a member of the industry, we are committed to taking action in response to the United Nations Conference on Trade and Development (UNCTAD) report, "The fashion industry is the second largest environmental polluter in the world." As a member of the fashion industry, we are committed to contribute to the improvement of our clients' companies and the industry as a whole through various initiatives particular to our group company specializations so that we can protect our wonderful global environment for the next generations to come, fulfilling our responsibility as citizens of the world.

Creating retail stores that reduce CO2 emissions

Commercial facilities and brands frequently renovate and close store facilities, such as setting up pop-up stores, and large amount of waste generated each time is considered problematic.

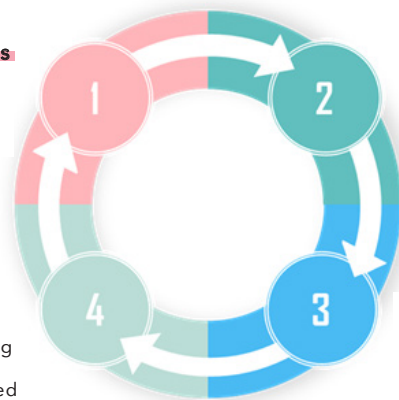
Last year, WMH worked with partners to recycle and reuse waste from a pop-up store of a global brand, achieving a recycling rate of over 50%.

In addition to the above partners, collaborating with VMS, our group company, we started a project for "circular retail stores" so that we can provide consistent support from planning and material selection to dismantling and recycling.

We aim to develop stores that minimize waste and contribute to CO2 reduction without compromising the store's message.

Planning/ Selection of materials

Design planning to utilize used or upcycled materials



Design/ Construction

Allotment planning for existing permanent stores and designing with reduction of waste while maintaining brand vision

Reporting/ Upcycling

Datafication and visibility for Co2 emission and planning for reused material storage and processed recycled materials

Dismantling/ Recycle processing

Transfer and send to dedicated Japanese facilities and processing of recycling with plan

VMS Sustainable Action

VISUAL MERCHANDISING STUDIO (VMS) proposes sustainable measures that can be realized with visual merchandising, focusing on "circulation and succession"



VISUAL MERCHANDISING STUDIO Co., Ltd.
President Kenichiro Hotta



For Circulation

The fixtures, developed in collaboration with Flandre and Workstudio, are made of PANECO® fiber-recycled boards. Using a single piece of custom-made white PANECO® with visuals and brand logos, it divides into three designed pieces to minimize waste. Beauty and sustainability coexist in this fixture. In addition, the assembly type design allows for repeat use, thus realizing cyclicity as a fixture.

Decoration incorporating Circulation

At the NANO universe exhibition, colorful flowers were displayed as an important staging element to impress visitors on the message of rebranding. The display were of recycled materials including flowers that had missed its sales opportunity.

After the exhibition, the flowers were given to the members of the NANO universe team as a bouquet of thanks for their labor. VMS places great importance on the recycling of fixtured and decorations, not discarding them when they have fulfilled their initial purpose and finding other uses for them which focus is included in the planning of visual merchandising.



For Regeneration

For the project with VOLVO STUDIO AOYMA, a spring decoration using cherry blossom trees was implemented. The showroom was decorated with cherry trees after flowers had bloomed and were decorated with regenerated petals made from recycled PET material.

This was aligned with the message of regeneration of the VOLVO C40, an electric vehicle with a sustainable theme.

ENVIRONMENT / Initiatives for the Environment

Calculation of greenhouse gases

Increasing and intensified natural disasters due to climate change is an urgent issue for the entire world, and at COP26 (the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change) held in 2021, countries adopted an agreement to pursue efforts to limit the temperature increase to 1.5°C from the pre-industrial era. In addition, the Japanese government declared its goal of becoming carbon neutral by 2050.

Given this movement, WMH has decided to work to understand and reduce greenhouse gas (GHG) emissions from its business activities in order to mitigate the impact for climate change and biodiversity.

Our business activities, which are centered on staffing and support for in-store services in the fashion industry, and do not involve upstream production, so we decided to proceed mainly in accordance with Scope 1 and 2, which capture direct and indirect GHG emissions at our own sites.



World Mode Holdings GHG emissions from Scope 1 and 2

Scope	GHG emissions (t-CO ₂)
Scope1 (Direct emissions from fuel use)	12.8
Scope2 (Indirect emissions from electricity, etc.)	132.4

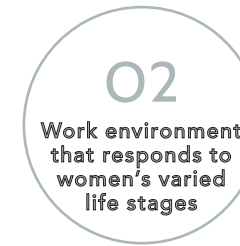
1. Scope: World Mode Holdings
Uses by All offices of Japanese consolidated operating companies
2. Emission factor [Gas]: Alternative emission factor by city gas utility
3. Emission factor [Electricity]: Alternative emission factor by electric utility

*Calculated based on GHG protocol
*Scope 3 not calculated.

We calculated and announced Scope 1 and 2 for the first time. With this, we will set and implement reduction targets for Scope 1 and 2 so that we can contribute to the realization of the international decarbonization goal by 2050. For Scope 3, we will accelerate our efforts to understand the current situation and reduce emissions in cooperation with all stakeholders, including suppliers and our employees, in order to contribute to the decarbonization of the world by 2050.

HUMAN RIGHTS / Respect for Human Rights

WMH believes that accepting diversity in terms of race, religion, gender, sexual orientation, age, nationality, and disability, and respecting all human rights is fundamental to management. Equal employment opportunities, fair treatment, and respect for human rights for all people involved in our corporate activities will help raise awareness of human rights throughout the fashion industry. For our company, which has 300,000 registered employees and 1,800 placements and employee transfers into fashion and beauty brands annually mainly for salespeople, improving the status of salespeople is an important issue. Furthermore, in the fashion industry, where the percentage of women workforce is high, providing a workplace where women can excel, taking into consideration their life stages such as childbirth and childcare, is a priority that directly affects the sustainability of the industry for the future. Therefore, this year we promoted initiatives on the following issues that affects respect for human rights.



In order to achieve these initiatives, it is first necessary to reduce the mismatch between employers and employees to as close to zero in the hiring process. It is also important to create an environment and culture in which a diverse range of human resources can excel.

■ SURVEY Diversity & Inclusion Survey for Clients

For the fashion industry to continue to grow as a sustainable industry, it must be an industry that is chosen not only by consumers but also by workers for its attractive working environments. In order to create a comfortable working environment and culture in which a diverse workforce can thrive and lead to business growth, WMH has established Diversity & Inclusion (D&I) as its human resource policy, and is working to promote women's activities, mainly through maternity and childcare leave programs. We asked human resource managers of 65 client companies what they think about D&I and how they are tackling this issue.

First, when asked, "Is the promotion of D&I important?", 30% responded "very important" and 70% "important," indicating a high level of interest for this issue.

As shown in the graph on the right, the question "Are you involved in D&I?" resulted in 66.2% of respondents as "Already taking action" and 24.6% as "Want to take action soon."

This indicates that many companies are starting to take action on this issue.

Q. Do you have initiatives for [Diversity and Inclusion] in place?

■ Already taking action	43	66.2%
■ Want to take action soon	16	24.6%
■ Is not taking any action	6	9.2%
■ others	0	0.0%

In response to the question of "Have you addressed the issue of [Diversity & Inclusion], and what has been improved or realized?", the most response was "Hiring of diverse talent/employees" at 31.6%, followed by "Various ways of working (remote etc.)" at 30.5%.

For the question about "what is necessary in promoting D&I?", "Acceleration of hiring" had 0 respondents, while high responses for: "Awareness and cooperation from employees," "Establishment of fair evaluation systems," "Establishment of a training infrastructure," and "Commitment from management" reflects focus on organizational policy developments and organizational change initiatives.

WMH and iDA, while continuing to provide diverse human resources as industry focused platform, will continue to support the growth of the fashion industry by disseminating the contents of this survey and providing organizational consulting to address these issues,

Q. Have you addressed the issue of [Diversity & Inclusion], and what has been improved or realized? (Multiple answers allowed)

■ Hiring of diverse talent/employees	30	31.6%	30
■ Allowing diverse working conditions	19	20.0%	25
■ Varied organizational structure and placement	6	6.3%	5
■ Varied ways of working (remote etc.)	29	30.5%	30
■ Fostering diverse values and ways of thinking	11	11.6%	10
■ Others	0	0.0%	0

Q. What is necessary in promoting [Diversity and Inclusion]? (Multiple answers allowed)

■ Acceleration of hiring	0	0.0%	0
■ Commitment from management	30	19.4%	35
■ Establishment of fair evaluation systems	29	18.7%	30
■ Awareness and cooperation from employees	35	22.6%	25
■ Establishment of a training infrastructure	30	19.4%	20
■ Project promotion framework	20	12.9%	15
■ Enhancement of systems for work-life balance and life support	11	7.1%	10
■ others	0	0.0%	0

HUMAN RIGHTS / Respect for Human Rights

Donations to Children's Shelter Organization



Volunteer members got together with the goal of "bringing smiles through the power of fashion." In this initiative, as many as 200 items of clothing were collected through our company network to be donated to those who would normally find it difficult to purchase fashion items and targeted junior high and high school students so they can experience the joy of fashion. Apparel and accessories were donated to two facilities associated with the "Social Welfare Corporation Youth Welfare Center" for junior high school students and those up to 20 years old.

Although we were unable to meet the students in person for privacy reasons, we received many words of appreciation shared to us from the staff.

With this initiative, we were made aware that there are facilities and equipment that are not sufficiently covered by government subsidies/measures and that there is a need for donations, especially for non-essential fashion luxury items, so we would like to continue our efforts.

Iki Iki Gender Support Club: talking about the promotion of women's activities

Because WMH Group is a business for the fashion industry, where many women are active, and within the organization, female employees account for 65% of the workforce, we have a focus on the SDG target [5. Achieve gender equality]. With the aim of enhancing corporate value and contributing to further growth by proactively addressing the promotion of women's activities, employees who share the same awareness of the issues gather and engage in regular activities.



This fiscal year, we began by reviewing how we are doing as an organization. Our organization has a near 100% maternity leave return record, and that employees with diverse lifestyles can play an active role, supported by a work environment that allows flexible work styles through remote work, staggered commuting, and a time zone pay system. On the other hand, a survey to female employees revealed that more than 60% of them do not aspire for management positions, and more than 50% of them have concerns about working long hours. Members discussed this situation and proposed the need for role models, such as female executives who balance work and family, and to further promote diversity in work styles. We will continue to propose new ways of working beyond gender roles and to revolutionize old ways of thinking as a leading company in the industry to realize women's promotion in the industry for the new era.

TOPICS

Supporting Working Mothers with the opening of the company-led nursery school

In response to the employees' concerns for lack of daycare centers for their children after returning from maternity leave, iDA, our group company, opened childcare centers in Jiyugaoka, Tokyo and Kitahorie, Osaka in FY2021 to support families raising children who balance work and childcare. The daycare centers are used not only by WMH employees and registered outsource staff, but also by many families working in the local community.

"I have been using the center since its opening in May 2021 when my second son was 10 months old. At first, I was a little nervous about leaving him at 10 months, but every day when I picked him up after work, the teachers were attentive to the small changes in my son and shared with me many events and his developments. In no time, I felt at ease for them to take care of my son and felt comfortable asking for their help. In addition, Kitahorie Tsugumi Nursery School accepted my 4-year-old son as well when I had difficulty to find care when his kindergarden was closed on weekends and seasonal holidays like summer vacation periods. Since I work on weekends and holidays because of my job, to have care for both siblings at the same time has been a great help to me because I can work with a peace of mind. There are very few daycare centers that are open on weekends, so those in service, retail and hospitality work struggle to find a place to take their children, discouraging from careers in those industries. iDA's childcare centers are very valuable. We are glad to have found such a wonderful nursery and to have our children be taken care of." (Ms. Ito)



Dress stylist Ms. Ito and family
<Full-time/weekends and holidays work due to the nature of the occupation>

FOR THE FASHION INDUSTRY / Contributing to the Fashion Industry

Since our founding, we have been supported by the fashion industry and have grown together. To ensure that the wonderful fashion industry, which enriches and vibrates people's lives, continues to be loved and develop as a sustainable industry, WMH stands between companies and consumers in the fashion industry, and from its unique position of connecting people and companies, WMH is committed to taking action to solve social problems through its corporate activities for all stakeholders. We make consideration to taking action, and to starting with what we can do. In particular, we believe that motivating our sales staff, who are at the forefront of the sales process and are active in our stores nationwide, and to have a high level of literacy in sustainability is an important initiative for the improvement of the industry as a whole.

Host for Sustainability Webinar for Sales Representatives 2021: "Sustainability and the Future: Learning from the top professionals / what actions can we take from within fashion industry?"



<https://ida.qumucloud.com/view/Am7UgfUWokzkacYRUsofsl#/>

Continuing from the previous year, we held a sustainability webinar for sales representatives. Tatsuhiko Seki, Editor-in-Chief and Producer of FRaU, Eriko Yamaguchi, Representative and Chief Designer of Motherhouse, and Kenichiro Hotta, President of our group company VMS, once again took the stage. The seminars and talk sessions were viewed mainly by those in retail sales and by many people inside and outside the fashion industry. A post-event survey showed a high level of satisfaction with a score of 4.4 out of 5. Messages from the three industry leaders were delivered to increase viewers' understanding for sustainability and motivation for their mission to work in fashion.

<Messages from the Speakers *Excerpts>

We provide value to the brand as a storyteller who can communicate on the story of the brand and craftsmanship, and to provide a shopping experience that link them and enrich the customer's lives.

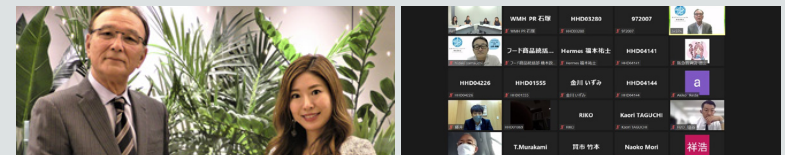
We believe that for the sales staff to include the essence of sustainability during the service will nurture the sustainability awareness in our customers and a positive cycle will emerge.

To be able to communicate for environmentally conscious actions adds to our personalities and appeal. We hope for more brands to value this.

For sales staff to know about sustainability is an essential etiquette.

Message

Japan Association of Sales Professionals (JASPA)
Mr. Hironobu Shimizu, Executive Director



Awarding JASPA Sales Professional Certification Close to 120 people attended the 4th study session held online

JASPA was established in 2016 to improve the social status of sales staff and support women's advancement in society. Currently, JASPA is affiliated with about 70 major department stores and domestic and international fashion, watch, jewelry, and cosmetics brands in Japan and abroad. We are supported by WMH, which serves as a board member company and a partner with the same goal. JASPA conducts qualification programs and seminars mainly for the long-term career development of sales staff. In 2021, "JASPA Sustainability Study Session" was launched to deepen understanding of sustainability in the retail sales field. In June of this year, we held a study session focusing on the consumption trends by Generation Z, who are said to have high consciousness for sustainability. We intend to continue to conduct activities that will support efforts made at the sales frontlines.

FOR THE FASHION INDUSTRY / Contributing to the Fashion Industry

Pre-internship for children who are our future Through Visual Merchandising Work Experience



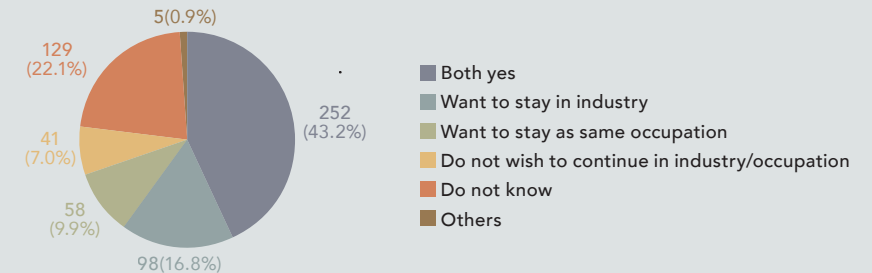
In order to involve more people into the fashion universe and make it a sustainable industry, WMH organized a pre-internship program to experience the work of fashion for children, the potential future leaders in fashion businesses. In our preliminary research, we became aware of the problem that more children in Japan today are anxious about their future and are less positive about working than in other countries. The pre-internship program was designed to provide children with an opportunity to learn about various jobs in the fashion industry, to broaden their future options, and for them to experience the joy in working. As a first step, "Visual Merchandising Work Experience" was organized for children of company employees. Five pairs of parents and children participated and learned what is Visual Merchandising work. The children learned how to dress mannequins, display products, and fold clothes. Through this experience session, the children felt the excitement of working in fashion, the industry that their parents are involved in. At the same time, the adults rediscovered the enjoyment and joy in working for the fashion industry through the eyes of the children. There was much interest from employees who unfortunately could not participate at this time. This was a very meaningful activity that made us proud to work in the fashion industry ourselves and was a step forward in our activities for the future of fashion and children.

■ SURVEY

On "Career Continuity." Survey of iDA registrants

At WMH, we felt that we need to reduce the number of people who wanted to continue working in the fashion industry but were unable to do so, to solve the industry issue of staffing shortages. Therefore, we first conducted a survey of the Group's iDA registrants and found that only 43% of them wanted to continue working in both the industry and the type of work. In addition, 70% of respondents cited compensation (salary, company insurance, etc.) as a factor that needs to be improved as an industry in order to continue working there, followed by length of work hours/shifts/time off as an issue for 60% of respondents. From the qualitative comments, we found a few people who said they wanted to continue to be involved because they like the industry and the work they do, yet there are quite a few cases where many would have to change careers to another industry or work category (or already see the future need to change) due to low pay and difficulty in balancing with life events. In order to make the industry more attractive to workers, we will aim to make a broad appeal for issues that the industry, as a whole, need to improve.

Q. Would you like to continue in your current industry/occupation?



Q. What do you think needs to be improved in order for people working in the fashion and beauty industry to stay in their jobs longer without leaving?



FOR OUR GROUP MEMBERS / Working Together with Our Colleagues

WMH Sustainability Week 2022

A week of participation by all

In order for all of us to deepen our knowledge and awareness of sustainability, a company-wide event entitled *“Know more about Sustainability, Take Action and Spread it - A week of thinking together what WMH can do about Sustainability”* was held from June 6 to June 10. During the event, a special page was set up on the company portal to share content, and the entire WMH group was involved in.



Message from the Board of Directors

Prior to the event, Group Representative Kafuku and all full-time and senior executive officers of Holdings sent out a video message to employees, inviting them to participate in this event. The event was designed to raise awareness of sustainability while having fun, to think together about solutions to social problems, and to encourage each employee to take part in the activities with a sense of ownership. By conveying the importance of this attitude in their own words, all Group employees understood that sustainability is an important management issue, and their level of interest increased.



TOPICS

A wealth of content close to our lives

Even though we have 23 offices spread throughout Japan and many employees working remote due to office work restrictions caused by the Corona pandemic, the program focused on online content such as videos and chat posts during the period so that all employees could participate, and no one was left out.

WMH Sustainability Committee prepared a wealth of content for the event that all WMH Group employees could enjoy as familiar close to life content, rather than the serious and uninteresting content that is often associated with dealing with social issues. The committee members also worked together to plan and execute the event without forgetting to have fun themselves.

	6/6 MON	6/7 TUE	6/8 WED	6/9 THU	6/10 FRI
オフライン コンテンツ	東京オフィスイベントラウンズ PANEKOアート作品				
					黒板アートライブ!
	私も言いたい! サステナビリティ				
	「楽しみながら、出来ることから始めよう!」～身近で出来るサステナブルな取り組み事例～大募集!				
オンライン コンテンツ	グループ役員からのメッセージ動画				
ポータル と TEAMS	サステナビリティ 情報動画①	サステナビリティ 情報動画②	サステナビリティ 情報動画③	サステナビリティ 情報動画④	後夜祭
	委員会活動 ビデオ発信				
	動画コンテンツスタンプラリー				
	オンライン ランチ交流会①	オンライン ランチ交流会②	オンライン ランチ交流会③	オンライン ランチ交流会④	

FOR OUR GROUP MEMBERS / Working Together with Our Colleagues

Examples of sustainable activities that can be done close to home

To encourage employees to start their own sustainability activities, we collected and posted examples of sustainable activities that employees are involved in. Many submissions were received, including things that can be done at home, things that can contribute to the local community, and things that can be done in the office. The Best Sustainability Award was given to "the use of a laundry net that reduces the loss of microfibers from synthetic fiber clothes to the ocean by 85% during washing. This activity has instilled within the company the importance of starting with something that can be done without strain, and of continuing to enjoy the activity without thinking too hard about it.

Let's talk over lunch.

For four days during the period, online meetings were held during lunch breaks. This provided a valuable opportunity for employees interested in the respective topics to get together beyond the boundaries of their operating companies and share their opinions in a friendly atmosphere and with mutual respect.



- DAY1 Gathering of Moms/Dads Raising Children: Lunch exchange meeting to talk about children's development
- DAY2 Ex-and Current Salespeople Come Together! Lunch exchange party to talk about common issued in retail sales and customer service.
- DAY3 Gathering of Foreign Culture Lovers: Lunch exchange to talk about the best of intercultural exchange
- DAY4 Women and Women of Gender Identity Come Together! Lunch to Discuss Diversity in Women's Lives

Entrance Hall Exhibit & Chalk Art

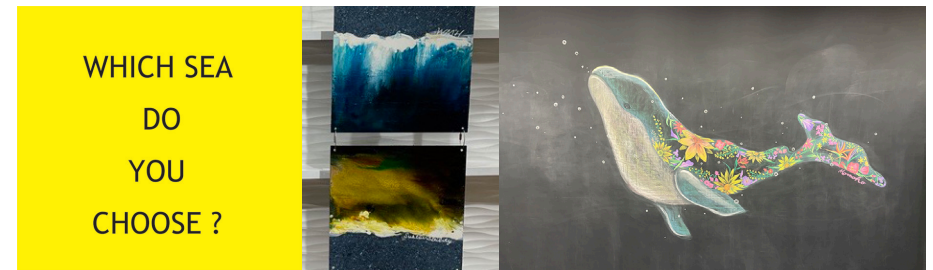
With the cooperation of Momoco Katsuragawa, an artist, VMS supervised the creation of an art board using recycled board PANECO®. Two different version of the sea was displayed in the entrance hall at the Tokyo office, with the question, Which sea do you choose? Appealing for viewers to think. During the exhibition, Ms. Katsuragawa held a chalk art live performance. She painted a 1.5 x 2 m size work on the wall of the Tokyo Office, " Both paintings were created using environmentally friendly organic painting materials. thin the company on the topic of sustainability.



Momoco Katsuragawa,
artist for this project

An artist who loves "color. Active in various sustainable activities using her sense of color as a former fashion designer to create vivid giant murals using eco-friendly organic painting materials and recycled "loss" flowers.

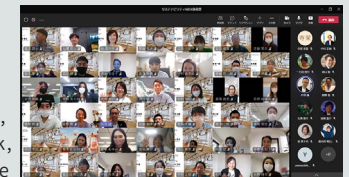
Employees, while busy with their daily work, have expressed their positive impressions of the familiarity and awareness for environmental issues and cleanliness in their daily lives. This activity has promoted increased proactive communication within the company on the topic of sustainability.



TOPICS


Online post-event

Together, we reflected on the week of WMH Sustainability Week 2022, including a quiz competition on the theme of sustainability, presentations on activities during the week, and announcements of the winners of these activities. A total of 100 WMH employees gathered online for this event, and it was a meaningful opportunity for employees to communicate with each other beyond the boundaries of operating companies and locations.



Participation comments by employees

- I found it helpful to learn about sustainable activities that can be done close at hand and actions that are simple and easy to adopt. Knowing that there are people in the company who are implementing these activities makes me feel that this is a company I can be proud of. <Tokyo/Sales>
- I thought it was a good opportunity for all employees to think about common topic and connect within the company. <Osaka/Administration>
- I was more impressed and learned more from the lunch meeting and other participatory activities than simply watching videos. <Osaka/Administration>



3

MISSION

OUR MISSION FOR THE FUTURE

“What we can do for the fashion industry: to create the society of the future”

Today, the social environment surrounding us is undergoing drastic changes. In addition to environmental and human rights issues, the struggle against viruses with no end in sight, wars, soaring raw material prices due to war, and a weakening yen against the backdrop of all kinds of situations. These are not stories of the distant world, past or future, but news that cast a dark shadow over our daily lives right now. The eruption of these various problems has left many people feeling anxious about the future and emotionally drained. On the other hand, new services are being created one after another based on the development of technology, such as online communication, which has quickly become a fixture in people's lives and allows them to complete various tasks regardless of their location, and the creation of new values through the newly emerged metaverse. As a result, we are living in a world with a tide of great uncertainty, for better or worse, where things that were once thought to be unfeasible are now becoming possible at an accelerated pace.

In the fashion industry, where we are engaged in, it is not easy to survive under such circumstances, as we hear more and more news of business failures, divestitures, cost-cutting, and other less than favorable developments. It is necessary to read the end-user's insights and continue to take on the challenge of change with an eye to the future, rather than sticking too tightly to traditional business models.

Likewise, this is true for us, who, on a daily basis, work hand in hand with clients that work through trial and error. We cannot stop moving forward.

In a society where social issues are piling up and uncertainty is high, for companies in the fashion industry and people involved in fashion to continue to demonstrate their creativity and develop, it is necessary to create an environment in which diverse people with abundant talents can fully demonstrate their abilities. To achieve this, we believe that flexible and strong management and management efforts that are willing to change and respond to change with a sustainable awareness of social issues with an eye to the future are required. World Mode Holdings will embody Sustainability Transformation (SX) and strive to raise awareness of sustainability among all stakeholders in order to make the future even better than it is yet to be seen. We will fulfill our corporate responsibility to society.

“Fashion enriches people's minds and brings color to their lives.” We will pass on the excellence of the fashion industry, which we believe in, to future generations.

We will continue to contemplate action and work together with the fashion industry, dreaming of a bright and prosperous society where people living in 2050 can live healthy and happy lives.

WMH SUSTAINABILITY REPORT 2022

Publication date: October 1, 2022

This report is intended to provide an overview of the role WMH plays in the development of a sustainable society and its activities that lead to solutions for social issues.

The information contained herein includes forward-looking statements and other statements based on information currently available to the Company.

While every effort has been made to ensure the accuracy and validity of the information (including information provided by third parties),

no guarantee is given as to the accuracy or validity of such information.

We ask for leniency and understanding that for some forecasts, they are subject to change due to various factors in the surrounding environment.