ASICS' response to allegations regarding Mr. Chea Chan at Wing Star Shoes

In the case involving Mr. Chea Chan, ASICS takes the allegations raised by the labor union and NGOs about the issue of freedom of association seriously, and is continuing to take the appropriate measures. Through engaging with stakeholders, we have sought to disclose appropriate information based on the facts, including the latest information below.

First, we acknowledge that Wing Star Shoes Co., Ltd. (referred to as "Wing Star Shoes") did not file a criminal case against Mr. Chan. In addition, after a Cambodian court found in August that Mr. Chan was not guilty, ASICS proactively engaged with Wing Star Shoes and we confirmed that Wing Star Shoes reinstated Mr. Chan on September 19, following the court's acquittal.

Regarding compensation, we acknowledge that Wing Star Shoes is actively holding discussions with both Mr. Chan's representative and the labor bureau to ensure that Mr. Chan receives fair compensation for his lost wages during his imprisonment, in accordance with Cambodian labor law. We are continuing to monitor the situation.

In this regard, ASICS has played a pivotal role in ensuring a fair and just resolution to this case. We believe that our proactive engagement with Wing Star Shoes has ensured that Mr. Chan's reinstatement was carried out swiftly and that the negative impact on him has been minimized.

Throughout this process, we have maintained close communication with not only Wing Star Shoes, but also various relevant stakeholders, including the new labor union, Cambodian Alliance of Trade Unions (referred to as "CATU"), and the supporting NGO, Center for Alliance of Labor and Human Rights (referred to as "CENTRAL"), since we were first contacted by CATU in February 2024, in order to promote compliance with both legal and ethical standards.

Additionally, we note that the majority of the workers at Wing Star Shoes are unionized, with five unions represented. Wing Star Shoes is committed to respecting workers' rights and freedom of association, and we confirmed through a dialogue with Wing Star Shoes that it does not have any intention to interfere with the formulation of the new labor union.

ASICS requires all of our factories to safeguard workers' rights and commit to the principles of freedom of association in accordance with our Supplier Code of Conduct, which is in line with

international labor standards.

Supplemental Facts

1. ASICS Approach on Human Rights

ASICS Group remains committed to addressing issues related to “freedom of association” (referred to as FoA) in our supply chain, including at Wing Star Shoes in Cambodia. We reaffirm our dedication to labor rights, ethical practices, and upholding FoA, as outlined in our Supplier Code of Conduct, which adheres to The Conventions of International Labor Organizations (referred to as “ILO”) and The Universal Declaration of Human Rights. Our ongoing commitment to promoting ethical business practices is done in close collaboration with our business partners.

We firmly believe that all workers have the right to fundamental freedoms, including the right to form unions. In line with this, we continuously conduct factory audits and engage in collaborative initiatives aimed at improving factory operations. Wing Star Shoes has been a participant in the “Better Work” program, overseen by the ILO and the International Finance Corporation, where it has been regularly monitored for its adherence to human rights standards. We are actively working with these programs to verify the facts in the current situation.

2. ASICS’ Investigation Status and Findings

Since receiving a communication from the CATU on February 17, 2024, ASICS has taken this issue seriously and has been working diligently to confirm the facts through multiple stakeholders. We have conducted weekly meetings with Wing Star Shoes, alongside additional discussions to emphasize the importance of FoA and to continue fact-finding efforts. ASICS has also engaged in dialogue with CATU and the NGO CENTRAL, organizing online meetings and ongoing email exchanges since March.

Furthermore, we have sought advice from the National Federation of Textile, Chemical, Food, Commercial, Service, and General Workers' Union (UA Zensen) in both Japan and Cambodia.

Based on our investigation so far, ASICS has not found conclusive evidence that Wing Star Shoes pressured Mr. Chan to cease union activities within the newly formed labor union. ASICS

has confirmed Wing Star Shoes's commitment to upholding FoA for all workers. More than 90% of the workers are unionized. Additionally, Wing Star Shoes has prioritized Mr. Chan's health and safety, with human resource personnel visiting him on July 24, 2024, to ensure that his medical care needs were being met. ASICS had also confirmed that Wing Star Shoes has maintained Mr. Chan's employment status, treating him as being on temporary leave. After Mr. Chan is released, Wing Star Shoes swiftly took action toward his reinstatement on September 19, 2024.

In regard to the criminal charges involving Mr. Chan and others, ASICS' findings, which include input from Cambodian law firms, indicate the following:

On February 12, 2024, a theft occurred at Wing Star Shoes, and an individual identified as the perpetrator, Mr. Ao Sam Un, implicated Mr. Chan and Mr. Duong Samnang. Based on this information, Wing Star Shoes reported the theft at the request of the police, leading to Mr. Chan's arrest and subsequent prosecution. ASICS has confirmed that Wing Star Shoes did not file any criminal charges against Mr. Chan, and it was not within Wing Star Shoes's authority to withdraw the charges.
ASICS also notes that there is no factual basis for the allegation that no charges have been filed against Mr. Un and Mr. Samnang, as two independent law firms in Cambodia confirmed that both people were brought to criminal court for trial and convicted.

3. Next Steps
ASICS takes any alleged interference in FoA very seriously and is committed to taking all necessary actions. As outlined, we have been engaging with multiple stakeholders and reiterating our commitment to upholding our Supplier Code of Conduct, which emphasizes compliance with labor practices.

In response to our demands, Wing Star Shoes has committed to respecting workers' rights, including their right to organize without interference or retaliation. We will continue to monitor Wing Star Shoes's adherence to these commitments closely.

ASICS will maintain our dialogue with stakeholders, including CATU and CENTRAL, and further promote respect for human rights among all our business partners, including Wing Star Shoes.