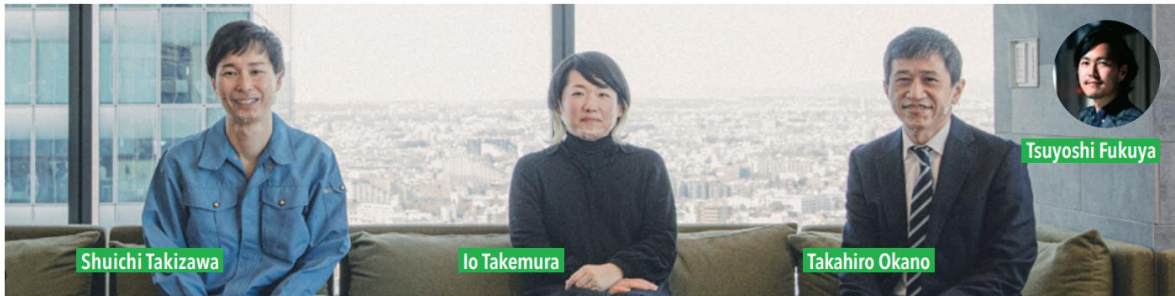


STAKEHOLDER DIALOGUE

How to Deal With Fashion Loss Effectively?

In February 2021, we held a stakeholder discussion at the Adastria head office. The topic of the discussion was *Thinking About Fashion Waste*. Participants discussed new ways in which Adastria can improve to create a world without fashion waste. Here, we highlight some of the remarkable comments we received about the industry and social approaches from people familiar with the environment and the fashion industry.



Participant Profiles

▶ Mr. Shuichi Takizawa

Part of the comedian duo *Machine Guns*. Mr. Takizawa has also worked in the past as a janitor for a garbage collection company.

▶ Ms. Io Takemura

Co-Chairperson of unisteps, Fashion Revolution Japan Branch

▶ Mr. Takahiro Okano

Director, Office for the Promotion of Hot Springs Land Protection and Utilization, Nature Conservation Department, Nature Conservation Bureau, Ministry of the Environment *As of the time of this dialogue

▶ Mr. Tsuyoshi Fukuya

President and Representative Director, WEFABRIK Co. Mr. Fukuya participated in the dialogue remotely.

Shuichi Takizawa

- Even if consumers recycle or reuse clothing, rather than throwing it out, the paths leading to the next step are narrow and few in number. I think this is the first issue that must be addressed.

Systems will be required in the future to communicate this process after recycling and reuse in a manner easy to understand. These communications might include how clothes are actually used and their final use.

- I also think it would be better to offer a more convenient clothing collection system in which everyone can participate easily. For example, one could attempt to build an infrastructure based on mechanisms from the collection to the final utilization of clothing.

If it would be difficult for a company to achieve this on its own. One way forward would be for multiple companies to work together in building a system.

Through this discussion, I came to feel that consumers are also looking for an environment that eliminates waste. This could be achieved if the entire industry came together.

Takahiro Okano

- An approach focused on the order stage to control the number and produce a correct amount of products is very promising.

I think examples should be disclosed more widely...simulations of sales forecasts, production volume adjustments based on pre-orders, etc.

If consumers see Adastria's stance in identifying needs and dealing with the issue of fashion waste in partnership, then I think these consumers who buy Adastria products will take better care of their clothes.

- Mass production, mass consumption, and mass disposal in the fashion industry are issues that cannot be overlooked from a social perspective.

Some data shows that even though production numbers have increased, the size of the market is shrinking.

To solve this issue, we must make a fundamental change to existing business practices, including lowering product prices.

This is an issue that must be addressed on a united front by the fashion industry, and I encourage the government to become involved as well.

Io Takemura

- I found the upcycling brand FROMSTOCK very interesting. The brand dyes unused clothes black and gives them a new life, ready for resale. However, using a system that offers consumers the chance to enjoy the differences between each article of clothing could be better in the end.

Rather than offering a standard value of buying black-dyed clothing, the brand could communicate the unique value of clothing dyed in various colors and the attraction of owning distinctive, one-of-a-kind articles.

- Maintaining transparency is a basic principle in manufacturing.

The reality, however, is that very few companies ensure transparency, not only with respect to the products themselves, but also with respect to the raw materials, manufacturing workers and environment, and sales process.

This is why I would like to see Adastria and other companies be more proactive in communicating about their manufacturing processes and their works as a company.

Consumers should be made aware of good initiatives for the industry and society, no matter how trivial or incomplete. A platform to communicate easily with consumers would help change social awareness.

Tsuyoshi Fukuya

- I have come to understand that solving fashion loss requires an increased number of "exit options" beyond recycling and reuse.

This is just one example, but what about taking on the challenge of off-price stores, taking advantage of Adastria's strength of operating various brands nationwide?

Since there is no precedent, I think it could have a positive impact on society and help solve the fashion waste problem.

- In 2020, we implemented a sustainable style project with SMASELL, Mode Gakuen, and Adastria.

The project was designed to provide sample products from Adastria as teaching materials at Mode Gakuen to help students learn about the issue of waste loss. I feel that it is important to continue to increase the number of such cases of industry-academia collaboration.

As corporations become more actively involved in the field of education, these activities will lead to the education of the next generation.

I hope to see more such opportunities in the future.