

## Revised Medium-Term Management Plan Initiatives in Japan

### Brand Strategy | The Introduction of Brand Managers

# Rebrand – Toward the further evolution of brands Restart – Taking on new challenges

On April 1, 2024, Wacoal Corp. introduced eight brand managers.

Through this action, we are building a company-wide brand management system from customers' point of view.

By nurturing beloved brands and achieving efficient marketing, our brand managers will build deep, broad, and long relationships with customers as we restore Wacoal Corp. to a growth track.

#### Behind the introduction of the brand manager system

##### ■ What are brand managers?

Broadly speaking, "brand manager" is not a title, but refers to a role in achieving management strategy that enhances the value of a brand from the standpoint of a manager.

##### ■ Objectives

#### 1. Nurturing of compelling brands that provide clear value

Through end-to-end brand management that spans product planning, sales, and profit/loss management from the customer's point of view, brand managers will nurture appealing brands that offer clear value.

#### 2. Realization of overall optimization

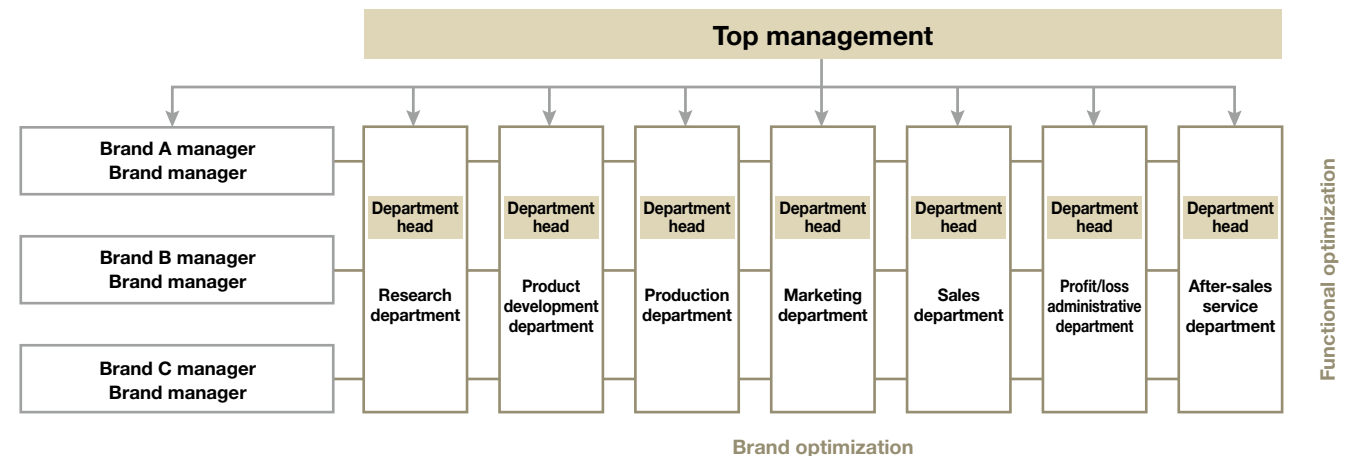
With a focus on responsibilities and authority related to brand management, brand managers will achieve overall optimization throughout the Company. We aim to eventually dissolve previous function-specific organizations and place an "end-to-end brand organization" under the Marketing Division.

##### ■ Roles

Acting across multiple functions, brand managers will provide end-to-end brand value to customers through the value chain processes of planning, development, manufacturing, distribution, sales, and marketing, holding responsibility for achieving sustainable revenue and growth through the maximization of brand value. As necessary, brand managers will take part in decision-making on medium- to long-term brand strategies in meetings at which decisions on individual functions may impact brands.

#### Conceptual diagram of the brand manager system

Our existing function-specific job system and brand managers fall under a matrix structure. Pursuing optimization, expertise, and efficiency enhancements in each function, this function-specific system shoulders responsibility in fiscal 2025 for achieving sales and profit in businesses through the realization of structural reform and supply chain management reform.



Achievement of end-to-end branding activities through the combination of functional optimization (vertical) and brand optimization (horizontal)

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### Brand Strategy

| Interview with Brand Managers

Brand Manager for Wing

Mika Shima



Brand Manager for WACOAL

Ari Tsubouchi

What should we do?

What will change?

What will happen?

## The Path Ahead for WACOAL and Wing

**Following the rebranding of Wing in 2020, a rebranding for WACOAL (hereinafter “Wacoal”) was announced in the fall of 2024. Brand managers Ari Tsubouchi and Mika Shima are leading new endeavors aimed at the further evolution of the brands, based on forward-looking visions and on what has been lacking for each brand. We asked the two managers for their thoughts and aims in growing the brands. (Interview conducted at the end of July 2024)**

**What are you currently working on as brand managers?**

**Tsubouchi:** Shortly before becoming a brand manager, I was the leader of Wacoal’s rebranding project, involved in the work of reaffirming and further burnishing the brand that the Company had built up. Members of the rebranding project identified and

discussed issues surrounding the questions of what Wacoal is and what we need to rethink to achieve our vision for the brand in terms of product mix, store displays, sales promotion, profit, and more. What I’m particularly focused on now as the brand manager is providing information to parties involved. I explain the new brand direction to individual departments and continue to hold dialogues so that all employees understand the new Wacoal and do what can be done in every department to realize our vision.

**Shima:** We carried out the rebranding of Wing in December 2020. After becoming the brand manager, I decided to redefine the value offered by the brand to make Wing even stronger. We’re now reassessing what has and hasn’t changed and what issues have arisen since the most recent rebranding, and are drawing up specific directions and measures.

**What kind of challenges do you each face, and how will those change?**

**Tsubouchi:** When we examined the image of Wacoal through customer surveys, the top responses were “high quality,” “long-established,” and “no particular thoughts.” In the past, constituent brands were placed under the Wacoal umbrella, with each brand focusing on promoting itself. As a result, each constituent brand had an image, but Wacoal, the foundation for those brands, lacks a clear image. I see this as the top issue we face. In response, we’ve moved forward under the priority of setting a brand vision for what Wacoal is, along with its core values. This thinking underlies everything we are doing in manufacturing as well as in communicating the brand.

## Brand Strategy | Interview with Brand Managers

Among the Company's core values are the striking words "a moment to look at yourself and love yourself." What meaning is embedded in those words?

**Tsubouchi:** "A moment to love yourself" may sound a bit awkward, but it holds meanings of "time and moments for accepting yourself" and "time and moments for treasuring yourself." We want our customers to sense the simple act of selecting underwear as a time for reassessing themselves in body and soul—that is, a moment for caring for themselves, for accepting themselves.

### How about Wing?

**Shima:** We mainly sell Wing through mass retailer channels. We initially had questions about the ages and values of customers who shop at mass retailers, what those customers seek in underwear, and whether our sales floors would be able to meet those demands. Judging from the sales situation, we couldn't help but suspect that some sort of mismatch existed. We launch new products one after another, but customers find that the standard products they've long used are out of stock, or that there's no inventory in the right sizes. I want to fix this situation.

### The core values of the Wacoal brand

**"A moment to look at yourself and love yourself," for everyone.**

I expect that a lot of people seek out familiar underwear items at mass retailers, rather than new products.

**Shima:** As I mentioned, sales floors are currently centered on new products, and our standard products aren't sufficiently available. In size mix, too, product lineups are centered on standard sizes. Customers end up leaving, thinking there's nothing suitable for them there. This is huge loss for us. Pricing is also very important for us in carving out a separate niche from Wacoal. With so many low-priced underwear products available from e-commerce sites, we want to demonstrate Wing's innate value in being "a brand aligned with lifestyles" through a commitment to quality and affordability.

In honing your respective brands, do you two share information on your situations on a daily basis?

**Tsubouchi:** We'd been exchanging information even before the rebranding. We now share information on our situations at monthly meetings for all brand managers.

**Shima:** Being close in age to Ms. Tsubouchi, it's easy for us to talk about anything. I can quickly get an answer and advice in response to any question, which I find really helpful.

**Tsubouchi:** In future product season planning, too, we're conscious of how we can exert the respective features and strengths of Wacoal and Wing. One lesson I've learned so far is that an important part of our mission is avoiding the simultaneous release of similar products from multiple brands. While making information open without creating walls, we're tackling product development in such a way that products reflect the value and the concept of their individual brands.

What do you find rewarding and difficult in acting as brand managers?

**Shima:** I hadn't done any work related to Wings after joining the Company, so it was initially a surprise to me when I was appointed as a brand manager. However, I feel that the breadth of my experience has expanded greatly through my work in setting the direction of the brand and assessing and controlling the supply chain overall. I find it rewarding in a way that's different from my previous work. I hope to communicate even more closely with team members and really delve into the brand value.

**Tsubouchi:** Since the rebranding project stage, we've held a lot of discussions on concepts. We now have our hands full with the September rebranding launch and, honestly speaking, there really isn't enough time for the many things that have to be decided. There are a lot of things filling me with anxiety over whether we've made the right choices because the rebranding hasn't yet begun, but there are also welcome things in my briefings for other departments. I've made all kinds of requests for new ways of thinking and doing things, as well as for changes in registered categories through reworkings of expressions and brands, and I've



## Brand Strategy | Interview with Brand Managers

been really grateful for the forward-looking discussions and responses that I've received. Coming this far has been tough, but it's been rewarding as well.

**Making changes to the way that things have always been done would surely generate some opinions.**

**Tsubouchi:** In some areas, such as the idea that consolidating product numbers will lead to a sales decline or that new products are necessary for sales, I ask, "Is that really so?" to gain understanding. In the Wacoal rebranding, we decided to eliminate constituent brands such as Wacoal Parfage and integrate those into the core brand, Wacoal. The disappearance of a constituent brand is a major change, and I've heard employees express anxieties, sadness, and other feelings. Responding to their comments, I explain that we have an opportunity to nurture a large foundation for what Wacoal is, and that we have to change our past method of splitting up investment across constituent brands. Wacoal already has a variety of products. New products that create innovation are important, but I think it's just as important to take care of our existing products, solidly communicating and nurturing those products. I think it's important that all employees recognize the direction of the core brand "Wacoal" under a unified image, and that we polish that brand through ongoing trial and error.

**How do you want to grow your brands from here on out?**

**Shima:** I see all of our team members as the persons who will nurture Wing. The job is naturally one that I can't do alone, and I've been tackling it with some feelings of hesitation and worry. To make Wing a brand supported by a lot of customers, we need to have all employees think and walk steadily forward, step by step, while making ongoing corrections to our path. There's no known correct

answer, so I want to build a team capable of moving forward while flexibly changing how we do things on the basis of issues and reflection, and grow the brand from there.

**Tsubouchi:** Underwear plays roles in etiquette, in adapting to outerwear and seasons, and in achieving beauty and comfort. But I believe it also empowers you to learn about your own feelings and body.

Our Company has accumulated body shape data and beauty advisor knowledge over many years. These things have a value that other companies can't readily attain. I want Wacoal to be a brand that, while leveraging these strengths to the fullest, places importance on the customer's point of view in every process from product development to customer service and is able to deliver empowerment to customers. To date, Wacoal has created many products with outstanding functionality. The Wacoal rebranding marks an opportunity to communicate those products once more, without their value being lost. We intend to pursue what sort of "new self and new possibilities" every feature and product can connect to. It's important that we continue on this path over the long haul, not wrapping up after a single season or a single product release, so I want to join with all employees in considering what Wacoal is.

**I really look forward to seeing what kind of brands Wacoal and Wing will become and how customers will react.**

**Shima:** For Wing, we intend to carry out analyses of the customer base and change the product lineup to match, with "innerwear as a daily necessity" on the store floor and e-commerce sites as our aim. While tackling the challenge of creating a balance of price, quality, and design that feels just right, we'll make the brand more closely aligned with customers.

**Tsubouchi:** Wacoal will move forward with the rebranding, issuing a news release in September and broadcasting a television



commercial film. I hope to attract customers' interest and bring them to the brand through promotions that we haven't yet done for Wacoal. However, I don't expect that this will take root with customers immediately after the rebranding. So, I feel that, while we continue to thoroughly communicate our essential brand value, we need every employee to consider and discuss what Wacoal is to enhance the brand's value.