

Interview
01

CW-X's Next Challenge

Key Person 01

Takaaki Matsui

CW-X Brand Management Department,
Marketing Division,
Developing Brand Management
Sub-Division
Wacoal Corp.



The Current Position of CW-X from the Brand Manager's Perspective

Launched in 1991, CW-X has been Wacoal's conditioning wear brand, offering unique functionality through its proprietary taping lines. This has earned the support of many customers, enabling differentiation from competitors and delivering distinct value. However, brand recognition remains insufficient, and sales have yet to surpass the ¥10 billion mark. On the other hand, considering the current changes in the sports market, the growing health consciousness, and the need to address social issues, we recognize that the role and potential for CW-X to fulfill are expanding more than ever before.

The Value CW-X Can Contribute to Expanding Our Beauty, Comfort, and Health Business

In expanding our "beauty, comfort, and health" business outlined in the revised medium-term management plan, CW-X serves as the

core brand. We believe beauty and health are not mutually exclusive; rather, being healthy fosters beauty and supports a comfortable lifestyle. CW-X is conditioning wear that helps regulate the body's condition when worn, supporting performance during exercise. By providing value not only to athletes but to everyone who moves their bodies, we will contribute to Wacoal's business expansion in the beauty, comfort, and health domain.

Future Branding and Image Strategy

To grow CW-X into a global brand centered on Japan and the U.S., we will advance the following strategy while cherishing our core functionality, (wearable taping technology) and our meticulous manufacturing principle, (CW-X quality). Specifically, we will drive growth in two key areas. First, expanding our presence in the sports sector both domestically and internationally. Building on our existing track record, we will identify sales growth potential across various sports and pursue a strategy of selection and focus. Second, we will enter the occupational wear sector. We will develop functional wear primarily for physically demanding occupations such as healthcare, nursing care, and construction, aiming to establish a business framework for rapid sales expansion. Through these strategies, we will increase customer touchpoints and brand awareness, growing CW-X into a globally recognized brand.



Toward Realizing "Empowering. WACOAL"

CW-X is advancing business expansion and growth to realize "Empowering. WACOAL" and achieve its 2030 sales targets. Specifically, within the domestic sports sector, we will accelerate

efforts to visualize brand value through collaborations with top athletes and promote functionality based on tangible wearer experiences. We will implement the same strategy in the overseas sports market. Furthermore, in the workplace segment, we will focus on developing new markets, particularly targeting occupations with high physical demands.

VOICE

To become a brand that is known, owned, and loved by people around the world.

Michiko Ito

CW-X Brand Management Department,
Marketing Division,
Developing Brand Management Sub-Division
Wacoal Corp.



Q1. What is your role in the project?

I am working on uniting our team's focus and direction toward brand expansion, driving product branding that encompasses everything from raising awareness to stimulating purchase intent.

Q2. What challenges do you want to take on and what do you want to achieve through this project?

(1) Branding

We aim to establish a recognizable brand image that resonates emotionally by ensuring consistency and unity across products, promotions, stores, and services.

(2) Broad-Spectrum Conditioning for Body and Mind

We will expand our value into health and beauty by optimizing physical condition not only for sports but for all scenarios involving movement—be it work, daily life, or any activity.

(3) Deep, Broad, and Long-Lasting Connections

We will build lasting relationships with our valued CW-X customers through aftercare and customizable experiential services.



Building a Customer-Centric Supply Chain

Key Person 02

Tetsuro Ito

Corporate Officer, Head of SCM Division
Wacoal Corp.



Objectives of Establishing the SCM Division's Structure

Fiscal 2026 marked the final year of our revised medium-term management plan. To enhance the effectiveness of supply chain management reform within our business model transformation aimed at improving profitability, we established the SCM Division. While cost structure reforms progressed as planned, challenges remained regarding whether we were delivering value to customers through optimized store and internal inventory levels and appropriate product mixes in stores. To address this, we integrated the planning MD functions previously dispersed across the Technology and Manufacturing Division and the Product Development and Merchandising Division. Furthermore, by encompassing directly managed stores and the Catalog Division, we established an integrated system spanning production to sales planning, aiming to accelerate decision-making processes.

Changes in the Field Through the Implementation of Supply Chain Management Reform

Historically, we prioritized cost efficiency and focused on planned production. However, since the start of our revised medium-term

management plan, we have shifted our focus to ROIC-driven management. We are now aiming to transition to a demand-linked production system that enables us to manufacture products quickly and deliver the items customers want to stores when they want them. Implementing this demand-linked production system has already yielded results. For example, at our overseas factories, the lead time from production order placement to delivery to distribution channels has been reduced from three months to one and a half months.

Furthermore, having production management and planning MD personnel within the same department has significantly heightened awareness of what customers need right now. At the same time, by prioritizing our star product numbers and fully implementing demand-linked production, we have successfully aligned the products needed in stores with those being manufactured. This has allowed both fronts to work together seamlessly and begin turning in sync. For example, for Wing, where inventory fulfillment rates were a challenge, the fulfillment rate for demand-linked production items in June 2025 reached approximately 90%, a significant 30-point improvement from the previous year, and it has begun contributing to store sales.

Toward Realizing “Empowering. WACOAL”

For fiscal 2026, the SCM Division has established three major themes. The first is “delivery.” While delivering products is fundamental, we also aim to consciously convey the collective passion of the entire SCM Division to our customers, building the next generation of Wacoal. The second is “challenge.” The SCM Division handles a wide range of operations, from production to technical design, D2C, retail, and sales planning, and we consider it to be the core function of our manufacturing business. We will continue to think big about the future and build the Wacoal of tomorrow. To that end, we will continue to take on challenges and strive tirelessly with our members to ensure that Wacoal becomes a company recognized for its transformation. Third is “management based on mutual trust,” our founding principle. We aim to build relationships of mutual trust between superiors and subordinates across departments and with our business partners. Even if things don't go smoothly at first, we won't give up. We will think together as a team, help each other, and move forward. Our Company is built on a foundation of mutual trust and is a place rich in human warmth; this is the Wacoal I know and admire. We are committed to fostering this very culture as we work toward realizing our vision of a global Wacoal.

VOICE

Through demand-linked production, I feel a sense of unity in the field.

Tomochika Kihara

Nagasaki Unzen Manufacturing Department
Wacoal Manufacturing Japan Corp.



Q1. What do you consciously do in the field to ensure a “customer-focused” approach?

I am currently working on demand-linked production that allows customers to purchase the products they want, when they want them, and in the quantities they need. I am committed to creating products of quality that customers can purchase with confidence, and that bring a smile to their faces when they wear them.

Q2. What changes or differences have you noticed through supply chain management reform compared to before?

As a factory implementing demand-linked production since fiscal 2025, we are directly experiencing significant changes. We must respond instantly to weekly orders, and every department must act with overall optimization in mind for this system to function. Furthermore, through our commitment to demand-driven production, I feel a greater sense of unity has emerged across the entire factory. Moving forward, to function as a vital pillar supporting customer-focused product delivery, we will not take existing methods for granted. We will constantly exercise our imaginations and strive to enhance our on-site capabilities.



Yue Sewing Team



Rebuilding Customer Touchpoints and the Path to Growth



Key Person 03

Tatsushi Katsuzawa

Corporate Officer,
Head of Sales Division
Wacoal Corp.

Current Challenges

I assumed the position of Head of the Sales Division in April 2025. After taking office, I visited as many stores as possible while also introducing myself to our business partners. While the insights gleaned from data and conference materials are undoubtedly valuable, they alone are insufficient for accurately gauging the expectations of our customers and partners, keeping pace with shifts in the market and competitive landscape, or understanding the challenges and implementation status of initiatives as perceived on the ground. Based on this firsthand understanding of the field, the key challenges I have identified are as follows: (1) As a fashion and apparel manufacturer, we are failing to provide customers with excitement. (2) Our merchandising strategy and monthly featured products are unclear, resulting in insufficient appeal to customers. (3) Consequently, expectations for our Company have significantly declined, and touchpoints with customers are decreasing. I believe this situation stems from the rapid push for operational efficiency

through organizational restructuring and early retirement programs. This forced employees to focus their time on daily operational tasks, leaving insufficient capacity to shift towards strategic thinking and action aimed at acquiring new customers and expanding sales.

Initiatives to Expand Customer Touchpoints

The Sales Division has set its goal for fiscal 2026 as “Creating Wacoal Fans = Increasing Customer Numbers.” We will not just wait for customers at the sales floor but actively approach them where they are. We will also reorganize our efforts, including discontinuing less efficient activities, to focus on initiatives with significant impact, namely: (1) We will clarify and focus on monthly enhanced merchandising and sales initiatives. (2) We will expand the layaway and order-in service. We are implementing these initiatives in collaboration with other departments to increase customer touchpoints. Furthermore, we are enhancing execution capabilities by having each section, led primarily by section managers, establish specific policies, measures, and designated priority stores. We are also working to raise employee awareness of numerical targets by linking these efforts to numerical plans.

Outcomes of the Initiatives

Sales performance for the first quarter of fiscal 2026 in the Sales Division fell short of the plan across all channels—department stores, mass retailers, specialty stores, and directly managed stores—and has not met initial expectations. With the successive closures of key customers and the continued challenging external environment for our Company, we believe it is essential to pursue initiatives to acquire new customers. Regarding customer numbers, we have established numerical targets for each category—existing, new, and non-registered customers—and are advancing initiatives to achieve these goals. While retaining existing customers remains a priority, we will intensify efforts to acquire new and non-registered customers going forward.

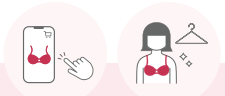
Meanwhile, our key initiative, the layaway and order-in service, is progressing well, exceeding plans by over 20% in store visits, purchasing customers, and purchase amounts. We intend to continue expanding this initiative with this momentum. Going

forward, we aim to further increase service awareness and usage through expanded rollout and integrated operations with services like “Free Bra Fitting” and “Bra Recommendations Based on Body Type” consultations.

Toward Realizing “Empowering. WACOAL”

To support as many customers as possible in embracing their individuality, we must continue creating brands, services, and products that customers love, thereby building a loyal customer base. To achieve this, our Sales Division—the department closest to our customers—accurately identifies customer needs, develops the brand’s vision encompassing marketing strategies and store design, delivers high-quality service through customer interactions, and expands brands and products tailored to customer needs. We will strengthen our sales initiatives by leveraging these activities to provide appealing stores and inspiring experiences, thereby cultivating a loyal base of brand advocates. Furthermore, we aim to build an organization where Sales Division team members, who have frequent direct contact with customers, can feel excitement and a sense of fulfillment in their work.

TOPICS



Order Online, Try In-Store: Layaway and Order-In Service

In October 2023, we launched a service allowing you to reserve or request items at your preferred store. This service enables customers to request a “layaway” or “order-in” for items they are interested in via the official Wacoal website store. Customers can then try on and purchase the item at their designated store. If the item is in stock, it will be “laid away” for the customer. If not, the customer can “order it in” from the Wacoal website store.

Previously, customers had to either check availability beforehand via the “store inventory” feature on the Wacoal website store or contact the store directly. We also received complaints that even when visiting the store, desired sizes or colors were often unavailable. By launching this integrated online-offline service, customers can now visit stores without worrying whether their favorite products are in stock. This saves time, enhances convenience, and creates a more comfortable shopping experience.



Seamless Integration between Stores and E-Commerce Centered on Body Data



Key Person 04

Tsutomu Fujimura

Corporate Officer,
Head of D2C Sub Division,
SCM Division
Wacoal Corp.

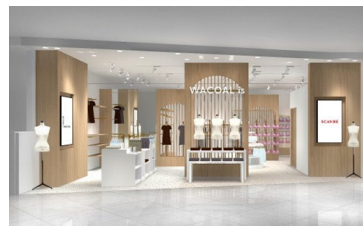
Current Challenges

Our primary challenges are a decline in store traffic and lower brand awareness and recall. However, the lifetime value (LTV) of customers who shop both in our stores and on our EC website is more than double that of those who use only one channel. Furthermore, for customers who have their body data measured and stored through our 3D measurement service “SCANBE,” this LTV increases by an additional 1.2 times. From this, I believe that advancing OMO (Online-Merge-Offline) initiatives to seamlessly integrate our online and offline channels will enhance the customer experience. At the same time, increasing our base of customers with registered body data and encouraging the use of both stores and EC sites, anchored by this personalized body data, is fundamental to building deeper, longer-lasting relationships with our customers.

Creating New Customer Experiences

In April 2025, we opened the OMO-style store “WACOAL is.” Based on the concept of “the new me, right here,” “WACOAL is” is a shop where customers can discover and experience aspects of themselves they didn’t know, going beyond the traditional task of

“buying underwear.” Inside the store, we feature sections linked to our e-commerce site, allowing customers to experience digital initiatives while viewing actual products. We provide added value unique to physical stores, such as try-ons, material checks, and consultations. Simultaneously, by leveraging the e-commerce site’s wealth of information, convenience, and enhanced integration with various content, we design an optimal customer experience that maximizes the strengths of both channels. Furthermore, in July of the same year, we updated the “Bra Recommendations Based on Body Type” consultation service offered with SCANBE. By linking body data with the e-commerce site, we launched a service that supports customers in selecting the right bras based on their body type directly on our e-commerce platform.



Expanding Customer Touchpoints and Initiatives to Strengthen Directly Managed Brands

Our e-commerce sites foster deep, long-lasting customer relationships through OMO integration with physical stores. To broaden customer touchpoints on third-party platforms, we expanded our presence beyond general e-commerce sites like Amazon to include fashion retail platforms such as “and ST” and “World Online Store.” We are also advancing product development specifically designed to strengthen sales capabilities on these third-party platforms. Simultaneously, we are working to enhance our directly operated brands. We are redefining brand concepts, clarifying target demographics, and implementing these changes through customer communication, store design, and product development.

Toward Realizing “Empowering. WACOAL”

Since establishing the Human Science Research Center (now the Human Science Research & Development Center) in 1964, Wacoal has utilized body data in product development, a practice that continues today. We believe that providing products and services developed around this core competency, supporting customers in living more authentically as individuals, is something only our

Company can achieve. By installing SCANBE in stores, we aim to create an environment where customers can easily select products suited to their bodies. This is achieved by having customers register their body data and providing services that make good use of that data.

VOICE

Stores Are Evolving into Places of Discovery and Experiences

Mirei Hirata

D2C Strategy Section,
D2C Management Sub Division, SCM Division
Wacoal Corp.



Q1. What is your role?

My role in advancing our OMO strategy involves developing and implementing unique “WACOAL is” initiatives and VP plans, identifying issues in stores, and collaborating with sales associates (beauty advisors, hereafter BA) to drive improvements. I focus on creating an environment where BAs feel comfortable speaking up and being heard, leveraging my own BA experience, with the goal of increasing combined store and e-commerce site usage rates and maximizing LTV.

Q2. What are the initiatives for connecting with customers?

During SCANBE fittings and other try-on sessions, we encourage customers to register on our official app, WACOAL CARNET. This helps us maintain our connection with customers after their visit. SCANBE also recommends measurements every three months. If a desired product is not available in-store, we offer a layaway and order-in service and distribute free shipping coupons for our e-commerce site.

Q3. What changes have you noticed through these initiatives?

We feel a real connection with our customers—whether they return for remeasurements after experiencing SCANBE’s 3D body scan, or come to try new services like “Bra Recommendations Based on Body Type” consultations or the Fashion Framework Analysis. I sense that stores are evolving from places to buy products to places of discovery and experiences.



Toward a Wacoal “Where People Shine, We Shine”



Key Person 05

Kazuma
Hirose

Head of HR Department,
HR and General Affairs Division
Wacoal Corp.

Challenges in Promoting Human Capital Management

In advancing human capital management, we identified two major changes as challenges.

The first is the decline in the working population. Currently, the average age of Wacoal’s management is approximately 48 years old. In Japan, there are currently 1.99 million people at the age of 50. In contrast, the population of 22-year-olds is only 1.26 million. And 12-year-olds, who will join the workforce in 10 years, currently number 1.03 million—roughly half the amount of 50-year-olds. (Ministry of Internal Affairs and Communications Statistics Bureau Population Estimates, October 2024 Results)

The second is accelerating environmental changes. Due to shifts in the global landscape and values, customer needs, purchasing behavior, employee workstyles, and the labor market are changing at an accelerating pace. In contrast, our current personnel system was established about 18 years ago. Therefore, aiming to realize a Wacoal “where people shine, we shine,” we decided to focus on building an organization that supports the growth of each individual employee and is highly rewarding.

Current Initiatives and Their Objectives

To foster individual growth and enhance organizational strength, thereby creating a virtuous cycle of high profitability and generous compensation, we began discussions in 2023 and embarked on a fundamental overhaul of our personnel system. This overhaul centers on the three core elements of personnel systems: the grading system, the evaluation system, and the wage system.

1. Grading System

Previous Challenge: Strongly seniority-based, with weak linkage to contributions to the Company.

Solution: To directly link individual and company growth, we have transitioned to a role-based grading system which minimizes seniority-based elements and is instead centered on the responsibilities of a position and the Company’s performance expectations. This system ties an employee’s grade and compensation directly to their contribution and achievement within their expected role. This not only increases a sense of fairness for the individual but also creates a direct line from employee contribution to company success.

2. Evaluation System

Previous Challenge: Due to company-wide relative adjustments after evaluations, employees sometimes lacked satisfaction with their final ratings, creating a situation where it was difficult to link evaluations to talent development.

Solution: We have shifted the basis for determining base salary from “absolute allocation based on comparative evaluation” to “relative allocation based on absolute evaluation,” thereby eliminating peer ranking and establishing a foundation for performance communication focused on the individual employee’s own achievements. Furthermore, we have transformed our assessment methodology from measuring an individual’s general progress to evaluating their specific performance against the expectations of their assigned role. This change reinforces the system’s function as a “communication tool for talent development.”

3. Wage System

Previous Challenge: The only mechanism reflecting individual performance was bonuses.

Solution: We have reformed our compensation system to directly link individual performance to base salary. To foster a company-wide optimization mindset, the bonus is now calculated by multiplying an individual’s base pay rate by a bonus month number determined by overall corporate performance. This ensures that profits generated

by the entire Company are shared among all employees. This approach is designed to break down sectionalism, as individual performance-based raises also factor into the bonus calculation, creating a compensation structure that truly rewards contributions and results. Furthermore, we have reduced the bonus ratio by approximately 15%, shifting this fixed portion to the monthly salary. This rebalancing increases the proportion of guaranteed monthly income, thereby enhancing compensation stability for our employees.

Fostering Dialogue with Employees and Building a Supportive Framework for Organizational Reform

We anticipated that some employees would experience confusion or anxiety in response to the significant changes brought about by the personnel system reforms described above, and indeed, we received a wide variety of feedback. To help alleviate these concerns, we established a forum for dialogue between HR and employees called “Ii Taiwa” (Good Dialogue) to explain the rationale behind the reforms and foster a two-way conversation. To date, we have held 35 sessions with a total of approximately 400 participants. Furthermore, as part of the headquarters renovation “REBORN Project” implemented in fiscal 2025, we introduced a full free-address office layout. This environmental redesign aims to break down barriers across departments and hierarchies, encouraging the exchange of ideas and fostering unprecedented innovation. We remain committed to continuously enhancing communication among employees and will further develop initiatives to deepen dialogue between management and staff.

Toward Realizing “Empowering. WACOAL”

I view our employees as our “internal customers” and aim to be the department they feel closest to. By reforming our systems to ensure that successes are shared with employees more than ever before, we are committed to supporting and rewarding their contributions. As fiscal 2026 marks the final year of our revised medium-term management plan, we will challenge ourselves to achieve our targets as one united company and share the resulting profits across the entire organization.

Our ongoing personnel system reforms will reach a key milestone this period. Moving forward, we will ensure the new system is fully embedded and properly managed, creating a workplace where every employee finds true fulfillment in their work and accelerating Wacoal’s further growth.