

Overseas Business Strategy (Message from the Head of the Global Operations Division)

Through mutual trust and unity,

we create global synergy,

aiming to become a global Wacoal

Takuya Yoshidomi

Corporate Officer,
Head of Global Operations Division
Wacoal Holdings Corp.



■ The Role of Overseas Operations within the Wacoal Group

Our Group’s mission is to realize our founding principle of a “global Wacoal” by gaining recognition and support for our products from customers around the world and ensuring their continued patronage. While domestic sales in Japan account for the largest share of consolidated results, the Group’s total overseas sales, including non-consolidated affiliates, already exceed ¥100 billion, representing a significant scale. Furthermore, overseas markets continue to offer high growth potential. From the perspective of generating sustainable sales and profits, our overseas operations are positioned as a key pillar of our growth strategy.

I assumed the position of the Head of the Global Operations Division in March 2025. Since taking office, I have visited each overseas subsidiary. I have come to realize that many members

who have worked at Wacoal for many years are highly loyal and committed to their work. I also see that each overseas subsidiary is advancing its business while sharing the Group’s important principles, such as a “global Wacoal” and “mutual trust.” I believe the sense of unity within the current Wacoal Group stems from the fact that our predecessors, starting with our founder, cherished the founding principles and carefully instilled them overseas while building our corporate culture.

However, each overseas subsidiary currently faces challenging business conditions with numerous issues to address. Even in this difficult environment, we will place greater emphasis than ever on the spirit of “mutual trust” cultivated globally. Furthermore, to sincerely respond to the efforts of our employees and the expectations of our customers and other stakeholders, I myself will approach my duties with unwavering resolve.

■ Current Status and Initiatives in Key Areas

To drive growth in our overseas operations, each overseas subsidiary is implementing various initiatives. However, we also recognize the harsh reality that the Wacoal Group’s traditional business model is not sufficiently adapted to the current market environments in each country.

Going forward, we must accurately grasp market changes and the diversification of customer needs in each country, and adopt a stance that promotes flexible and swift transformation. We will consistently engage sincerely with the market and, through agile responses, aim to return to a growth trajectory.

Overseas Business Strategy (Message from the Head of the Global Operations Division)

Initiatives for U.S. Business Operations

The U.S. business was once positioned as a major revenue generator within the Group, based on a business model centered on wholesale to department stores, and consistently generated stable profits. However, in recent years, the successive closures of department stores—its primary sales channels—have made strengthening its e-commerce business an urgent priority.

In 2023, we decided to withdraw from “LIVELY,” reflecting the current reality that we have not fully achieved the anticipated growth in our e-commerce operations. To drive future growth in our e-commerce business, enhancing brand recognition among consumers and achieving conversion to purchase are essential. We recognize that this requires proactive investment in digital marketing and e-commerce initiatives.

Specifically, we plan to make additional investments equivalent to approximately 3 to 4 percentage points of sales starting in fiscal 2027 to strengthen our digital marketing efforts. Additionally, we

have begun overhauling our proprietary e-commerce platform, aiming to increase the current e-commerce sales ratio of just under 50% to over 55% in the future. Concurrently, we are also advancing cost structure reforms in our factories and indirect departments to maximize business efficiency.

The United States has been a key market that has significantly contributed to the Group in terms of both sales and profits, and its role remains unchanged going forward. To meet these expectations, we will actively pursue strategic investments to drive sales growth and achieve medium- to long-term growth.

European Business Initiatives

The top priority for our European operations is the thorough execution of PMI (post-merger integration) between Wacoal Europe and the Bravissimo Group, acquired in 2024. Both companies are large-scale businesses, and leveraging their respective strengths while maximizing synergies across the entire Group is a key initiative

for our European operations.

The European market differs from other regions due to its mix of diverse countries and cultures, requiring detailed strategies tailored to each market’s needs and distribution channels. A particularly significant difference is the very high proportion of sales through specialty stores. This necessitates flexible responses in both product and channel strategies for each country.

We will continue to carefully engage with each national market, implementing growth strategies aligned with local characteristics.

Furthermore, we recognize the critical importance of e-commerce in Europe. Contributed to by the acquisition of the Bravissimo Group, Wacoal Europe’s e-commerce sales ratio reached approximately 37% as of the end of March 2025. We will continue to strengthen our e-commerce business to drive further growth.

China Business Initiatives

In the Chinese market, emerging brands centered around e-commerce are rapidly rising, and advanced sales styles differing from our traditional business model have become mainstream. Due to these changes in the market environment, we are currently facing a challenging situation, making structural transformation an urgent priority.

For fiscal 2026, our primary goal is to achieve the break-even point. To realize this, we have identified strengthening our e-commerce business as the top priority. Specifically, we must adapt to China’s unique digital promotion landscape, leveraging locally distinctive sales promotion methods, including live commerce. Furthermore, we plan to actively utilize and expand the “Muse” role to enhance its recognition.



Mitch Kauffman, CEO of Wacoal America Inc. at Wacoal Dominicana Corp., a sewing factory

Overseas Business Strategy (Message from the Head of the Global Operations Division)

Additionally, we are undertaking reforms in our physical stores, advancing the creation of sales floors that respond to changing trends in the Chinese market. Stores that have actually transitioned to the new image are showing tangible results, and we feel confident about future developments.

We will continue to accurately grasp trends in the Chinese market and maintain flexible and swift responses, thereby advancing the development of marketing strategies that resonate locally.

Initiatives in Other Areas

In the Asia region, five locations—Singapore, Hong Kong, Malaysia, the Philippines, and Vietnam—collaborate to enhance operational efficiency and market responsiveness across the entire area through mutual cooperation between countries.

Furthermore, in the rapidly growing Indian market, we are expanding the number of stores and sales floor space in department stores and specialty shops, resulting in steady sales growth. Additionally, we are advancing the expansion of company-operated stores and e-commerce channels. We will steadily implement various measures to achieve profitability in the near future.

Future Overseas Business Strategy

Our overseas operations play a vital role in driving the Company's growth and realizing a "global Wacoal." We will continue to steadily advance initiatives necessary for business expansion with a sense of urgency, while constantly reviewing inefficient operations to ensure the optimal allocation of management resources.

Until now, our overseas operations have respected the market characteristics of each country, entrusting each subsidiary with formulating its own business policies and strategies. However, advances in IT environments are enabling more efficient cross-border information sharing and deployment of marketing methods. Going forward, we will accurately grasp the business conditions and progress cultivated in each country from Japan's perspective and deploy this across the entire Group. This will drive

transformation to create effective synergies and enhance the growth potential of the entire group.

Furthermore, each entity has many colleagues who share a deep commitment to our principles, such as a "global Wacoal" and "mutual trust," and who conduct business with genuine dedication. We believe this shared set of values is the very source of our Group's unity as a global enterprise and the foundation for creating synergies. Moving forward, we will continue to cherish this unity while further accelerating our collaboration and growth as a group.

Realizing "Empowering. WACOAL"

Wacoal Corp.'s campaign slogan, "Empowering. WACOAL," embodies not only our commitment to providing value to customers and society, but also our aspiration to be a company where every employee can work with confidence and pride. What I value most is precisely that "foundation." If our employees aren't thriving, the Company cannot thrive either. Consequently, we cannot deliver excellent products to our customers, generate profits, or provide sufficient returns to our shareholders. In other words, I believe the foundation of everything lies in "employee empowerment."

In my role leading overseas operations, I recognize that the most critical task now is to clearly define the direction we must take and execute necessary measures in a timely manner. And if we don't achieve the expected results, we must promptly adjust our course and deliver results. I believe that achieving results will give employees in each country confidence and a sense of accomplishment, which will lead to employee empowerment and ultimately to Wacoal's empowerment.

I place great importance on visiting locations in person whenever possible and engaging in ongoing dialogue with local team members. Rather than simply issuing one-way instructions, I aim to learn from our local colleagues and walk alongside them. Furthermore, I will actively communicate messages that empower our overseas colleagues.

Enhancing our presence as a "global Wacoal" fosters

employee pride and engagement, ultimately leading to improved performance. To create this virtuous cycle and sincerely respond to the efforts of our employees and the expectations of our stakeholders, I will continue to take on challenges alongside all our global members.

