

VISION 2030
Medium-Term Management
Plan Briefing Session Material
(FY2023 to FY2025)

3 June 2022
Wacoal Holdings Corp.

1. The Mission We Should Fulfill in Today's Society

2. Reflecting On Our Previous Medium-term Management Plan:

On Formulating VISION 2030 and a Medium-term Management Plan

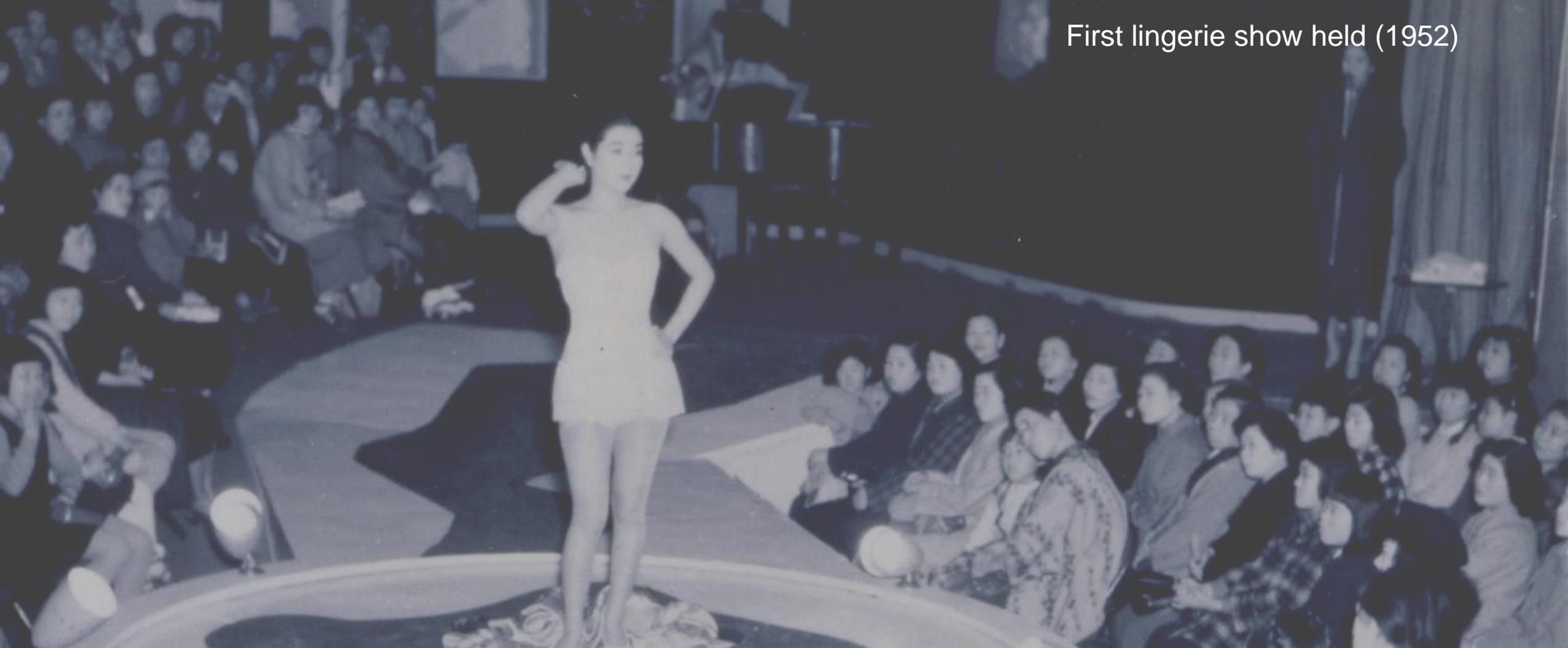
3. VISION 2030, Our Medium- to Long-term Management Strategy Framework

4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)

5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)

6. How We Must Change Our Ways

First lingerie show held (1952)

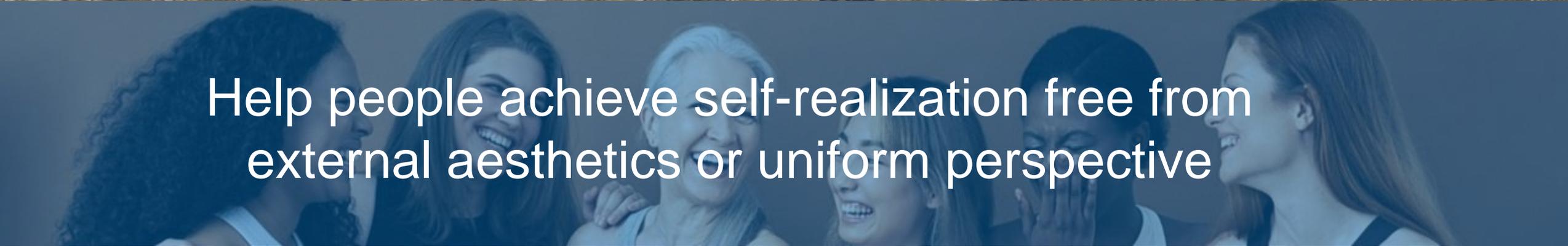


During the post-WWII chaos, the women of the world lost their sparkle and their former beauty. For Japan to recover from the defeat as swiftly as possible and for the people to rekindle hopefulness in their lives, it was crucial for the women to regain vitality. (Koichi Tsukamoto, Founder)

Values Only the Wacoal Group Can Provide in These Increasingly Uncertain Times



Contribute to the enrichment of the lives of all people around the world



Help people achieve self-realization free from external aesthetics or uniform perspective



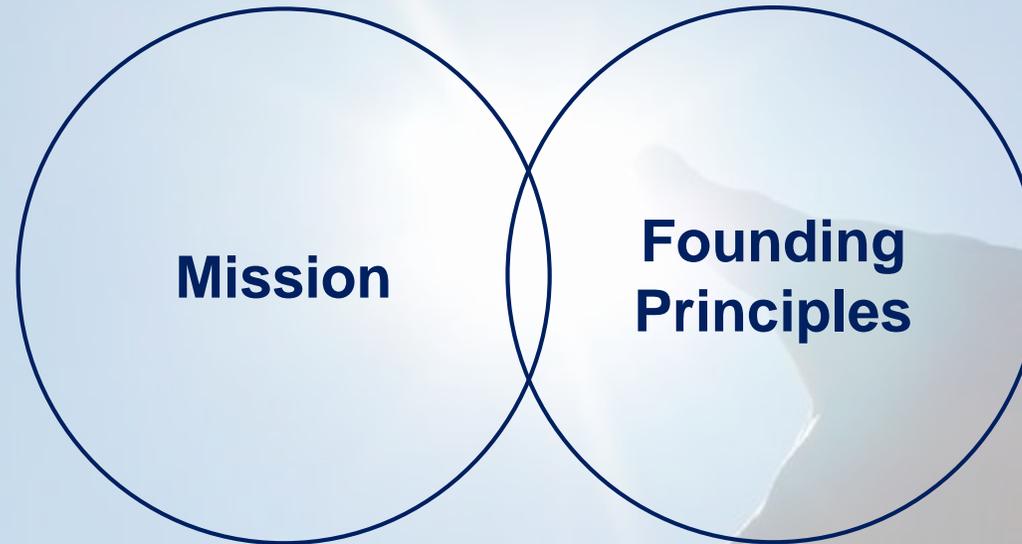
Strive to resolve various social, environmental, and human rights issues

We have changed the framework of our management philosophy for the first time since our founding

With our founding spirit at the core, we have defined the mission we should accomplish in modern society

WACOAL empowers people with the confidence that comes from looking and feeling their best.

As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.



The WACOAL Way

<Our Promise>

We will contribute to society by helping women to express their beauty.

<Our Culture>

We, the employees and management of WACOAL, will maintain a refined corporate culture based on mutual trust and will continually strive to make the Company a global leader in the industry.

<Our Values>

Create products loved by customers
Develop new products that meet the needs of the times
Conduct business in a fair manner with a forward focus
Build a better Wacoal through better human resources
Fear not failure and boast not of success

Mission Fulfill in Today's Society

WACOAL empowers people with the confidence that comes from looking and feeling their best. As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

At WACOAL, we value each person as an individual and believe in nurturing the body and mind so everyone can be their best.

When people with different backgrounds are empowered to come together and share ideas freely, we as a society will achieve true harmony.

By continuing to evolve, WACOAL leads the way to a world where kindness, inclusivity, and mutual respect are the standards, and the future is full of promise for everyone.

Formulating VISION 2030, our medium- to long-term management strategy framework, to create new value

Founding
Principles

Medium-Term Management
Plan Briefing Session Material
(FY2023 to FY2025)

Management Strategy •
Financial Strategy

**VISION 2030, Our
Medium- to Long-
term Management
Strategy Framework**

Management Strategy
Material Issues
Guidelines for the Actions of
Officers and Employees

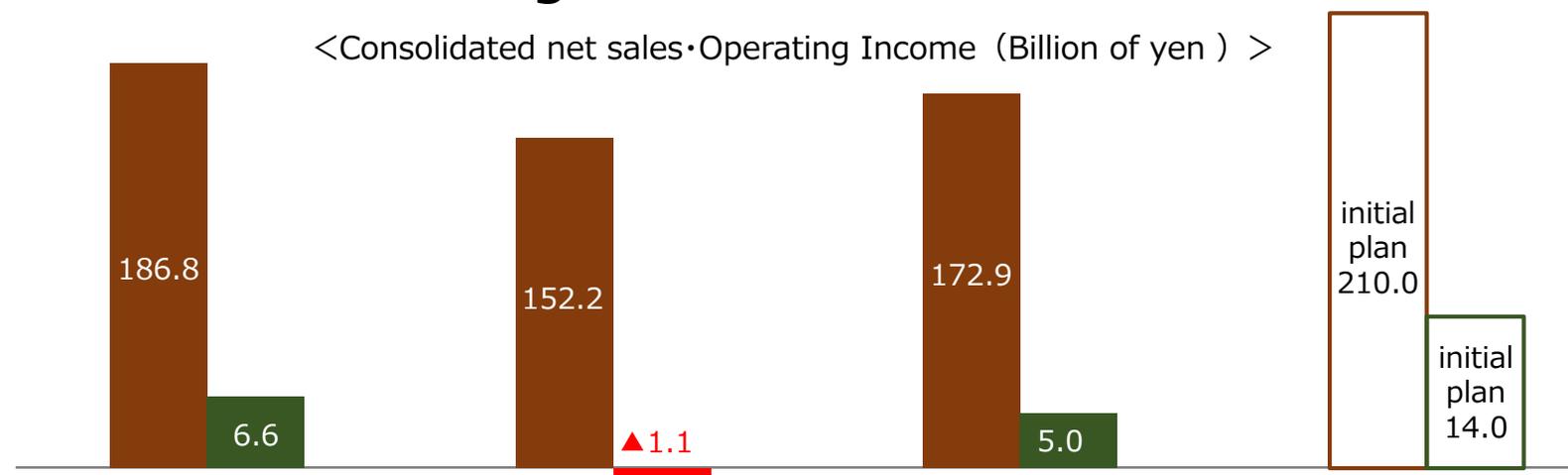
Mission

WACOAL empowers people with the confidence that comes from looking and feeling their best.

As a global leader, we welcome everyone into our caring community built on mutual respect, diversity, and inclusion.

1. The Mission We Should Fulfill in Today's Society
- 2. Reflecting On Our Previous Medium-term Management Plan:
On Formulating VISION 2030 and a Medium-term Management Plan**
3. VISION 2030, Our Medium- to Long-term Management Strategy Framework
4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)
5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)
6. How We Must Change Our Ways

Summary of Previous Medium-Term Management Plan



	FY2020	FY2021	FY2022	FY2022 initial plan
Operating income ratio	3.6%	—	2.9%	6.7%
Net income attributable to Wacoal Holdings Corp.	3.5	7.0	4.6	12.0
ROE	1.6%	3.3%	2.1%	6.0%
Cash generated (Net income※ + Depreciation cost + Reduction in strategic stockholdings)	27.8	10.8	14.4	3-year 70.0 or more
Reduction in strategic stockholdings (Book Value as of the end of FY2019)	13.6	2.6	3.5	20.0
Dividends Per Share (yen)	60	40	50	—

※Estimated in real terms without taking into account impairment losses of intangible assets, securities, or valuation gains and losses

Understanding the Current Situation: Reflecting On Our Previous Medium-term Management Plan

Our lack of ability to respond in unexpected situations was revealed We must transform our corporate structure into one that is more resilient and can cope with intense environmental changes

Primary Policy 1. Show Strong Growth Domestically and Internationally ▲

- Acquired IO, Inc. (LIVELY) to strengthen our e-commerce business in the US
- As regulations eased and consumer spending has recovered, Europe and the US hit record levels
- The pandemic clarified the issues that Wacoal's business structures have

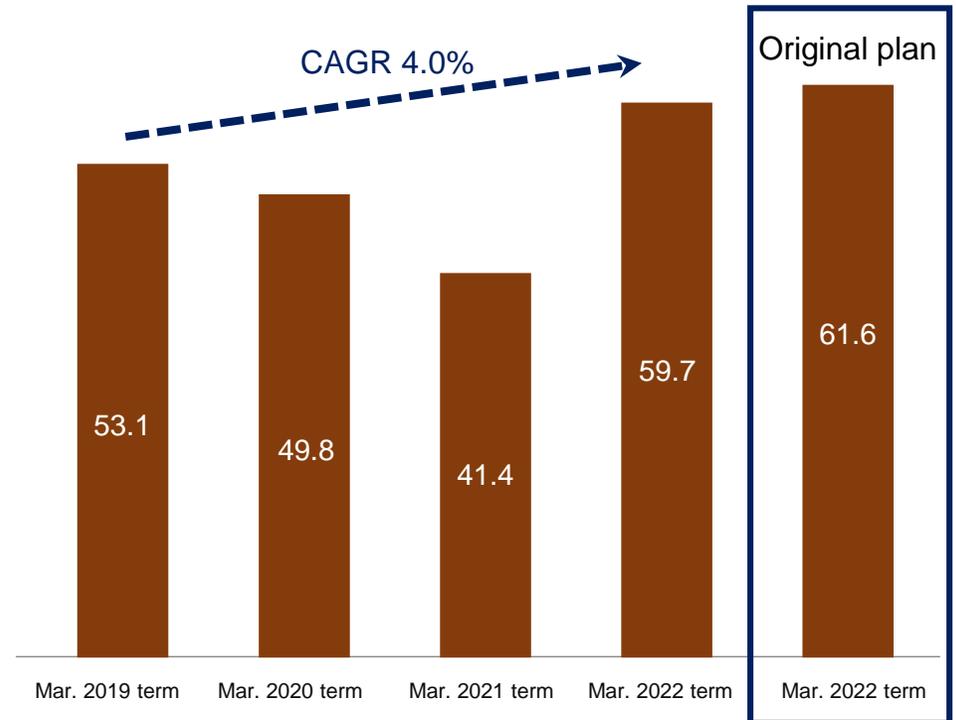
Primary Policy 2. Verify Unprofitable Businesses' Future Potential and Carry Out Structural Reform ✕

- Peach John's structural reform led to it moving back into a highly profitable position
- The business environment surrounding three of our domestic subsidiaries worsened due to the pandemic
- We started to structurally reform each company via downsizing, factory closures, etc.

Primary Policy 3. Strengthen Efforts to Create Social Value ○

- We disclosed medium- to long-term targets for reducing greenhouse gases
- For CSR procurement, we disclosed everything up to the list of factories to which our major overseas affiliates outsource

Wacoal business (overseas) segment
<Consolidated sales / Operating profits
(Units: Billions of yen)>



Understanding the Current Situation: Business Issues

Domestic Business Issues

Eliminate the rigid high-cost structure and transform into a resilient company

- ◆ Acquire new customers via stronger marketing, develop new value to provide to customers, and create new businesses
- ◆ Stabilize management within our domestic subsidiaries, and verify businesses' ability to continue and decide whether to let them do so or change them

Overseas Business Issues

Further increase profitability and continuous growth, centered on e-commerce

- ◆ Respond to a lag in the LIVELY brand's growth caused by saturation in the US e-commerce market and targeted advertising regulations
- ◆ Actively invest in our brands for growth in potentially large markets now emerging, such as India and Germany

Production and Supply System Challenges

Renovate our global supply system to improve productivity

- ◆ Soften the blows from soaring raw material and shipping costs by making production and shipping operations efficient
- ◆ Work to stabilize factory operations as COVID-19 spreads

Sustainability Issues

Promote co-creation innovation that solves social issues as opportunities for growth

- ◆ Strengthen responses to increasingly severe human rights and environmental issues, such as climate change
- ◆ Strengthen our ability to respond to change by increasing the number of employees that can clearly define and act on the company's ideal state and mission

Stakeholders' Expectations (Mainly Institutional Investors)

Growth Strategies

Our growth strategy was difficult to visualize before, but policies for increasing our LTV and growing have been clearly set forth through CX and brand strategies, making our long-term strategy easier to understand.

Long-term Issues

Wacoal's P/B ratio has been below 1x since the 2000s. This reflects our investors judging that Wacoal was unable to adequately transform our business model into what the market demanded in order to respond to changes in the external environment.

The Next Medium-term Plan

The goals of our next medium-term plan are to improve our PL and BS and become more efficient, and as a result, hopefully improve our ROE.

On Formulating Vision 2030 and a Medium-term Management Plan

Create Expectations

(Provide greater value / Global growth)

In these uncertain times, the Wacoal Group will clarify the economic and social value that only we can provide to society and people



Respond to Requests

(Improve ROE levels, and focus on ESGs)

We will strengthen our efforts to meet the capital market's demands for our company and improve our P/B ratio standing of below 1x as soon as possible



Commitment

(Improve effectiveness / Improve capital efficiency)

We will improve the effectiveness of our corporate governance (improve our capital efficiency, continuously improve our remuneration system, etc.) to transform our corporate structure into one that is more resilient

VISION 2030 and Medium-term Management Plan Initiatives (Overall Picture)

3-year
Medium-term
Management
Plan

VISION
2030

Create Expectations (Provide greater value / Global growth)

- Bring back Wacoal Japan's growth
- Strengthen potential for growth in Wacoal's overseas business
- Promote a human resources strategy that supports growth

- Achieve global growth
- Provide greater value / Expand our business areas
- Create a culture where diverse human resources can play active roles

Respond to Requests (Improve ROE levels, and focus on ESGs)

- Finish domestic structural reform
- Achieve an ROE above capital cost
- Strengthen responses to human rights and environmental issues

- Have an operating margin and ROE around 10%
- Solve materialities (material issues) (Strengthen responses to environmental and social issues)

Commitment (Improve effectiveness / Improve capital efficiency)

- Disclose the process to achieving our ROE (Reform the revenue structure / Improve capital efficiency)
- Continuously improve the executive compensation system

- Continuously improve the executive compensation system
- Optimize the Board of Directors' member structure
- Optimize the capital structure

Achieve Increased Corporate Value (Consistently have P/B ratio above 1x / Achieve sustainable growth)

Create Social Value Unique to Wacoal (Provide greater value to customers / Solve sustainability issues)

Fulfill the Group's mission: To use our business to achieve a society in which each person can live as themselves

1. The Mission We Should Fulfill in Today's Society
2. Reflecting On Our Previous Medium-term Management Plan:
On Formulating VISION 2030 and a Medium-term Management Plan
- 3. VISION 2030, Our Medium- to Long-term Management Strategy Framework**
4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)
5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)
6. How We Must Change Our Ways

What We Aim For in VISION 2030

Evolve and grow into the global Wacoal Group by utilizing our elevated minds and quality through beautifying and enriching each individual's body

Medium- to Long-term
Management Strategy Framework
VISION 2030

Management Strategies

Materialities (Material Issues)

**Behavioral Guidelines for
Executives and Employees**

**Create
Expectations**

- Achieve global growth
- Provide greater value / Expand our business areas
- Create a culture where diverse human resources can play active roles

×

**Respond to
Requests**

- Have an operating margin and ROE around 10%
- Solve materialities (material issues)
(Strengthen responses to environmental and social issues)

×

Commitment

- Continuously improve the executive compensation system
- Optimize the Board of Directors' member structure
- Optimize the capital structure

VISION 2030 Management Strategies

Create New Value from an Innovative Perspective and Achieve Sustainable Growth

VISION 2030 Management Strategies

**Promote
Sustainability
Management**

Improve domestic
profitability and expand
our business areas

Expand overseas businesses
and transform them into
high-revenue structures

Strengthen the Group's
management capabilities

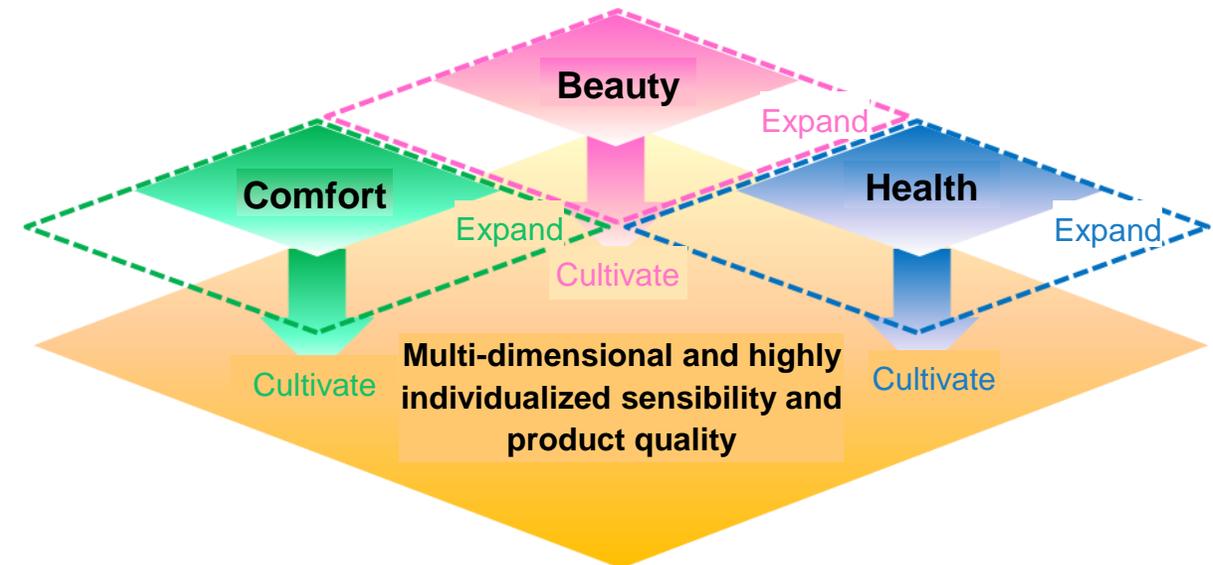
Shift to more capital
efficient management

Business areas (Categories to strengthen moving forward)

“Beauty”

“Comfort”

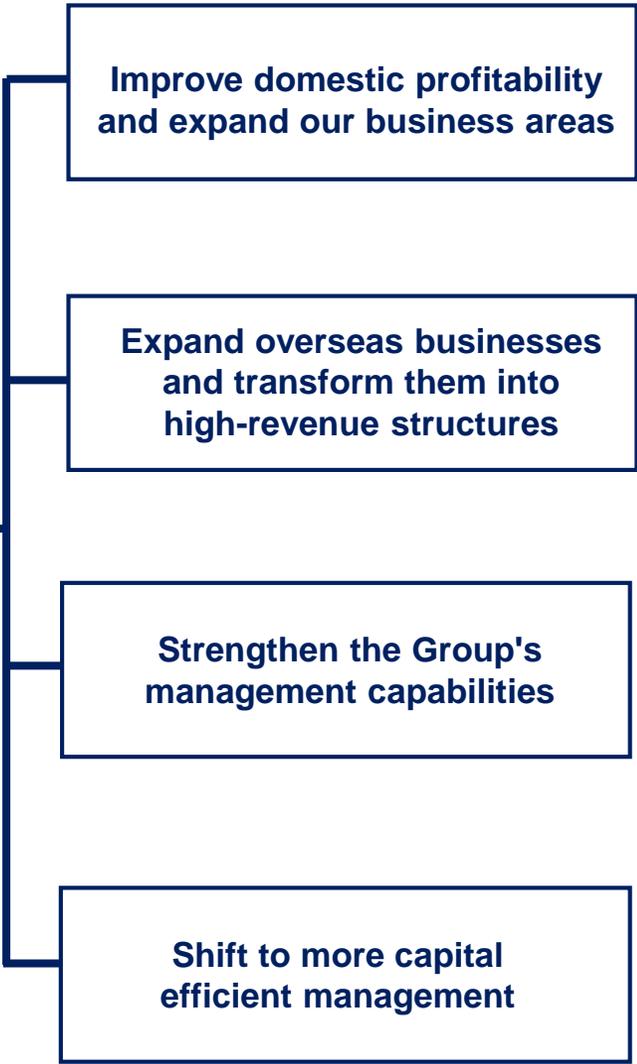
“Health”



We will cultivate and expand the beauty, comfort, and health areas with new products and services backed by our elevated minds and quality

VISION 2030 Management Strategies

Promote Sustainability Management



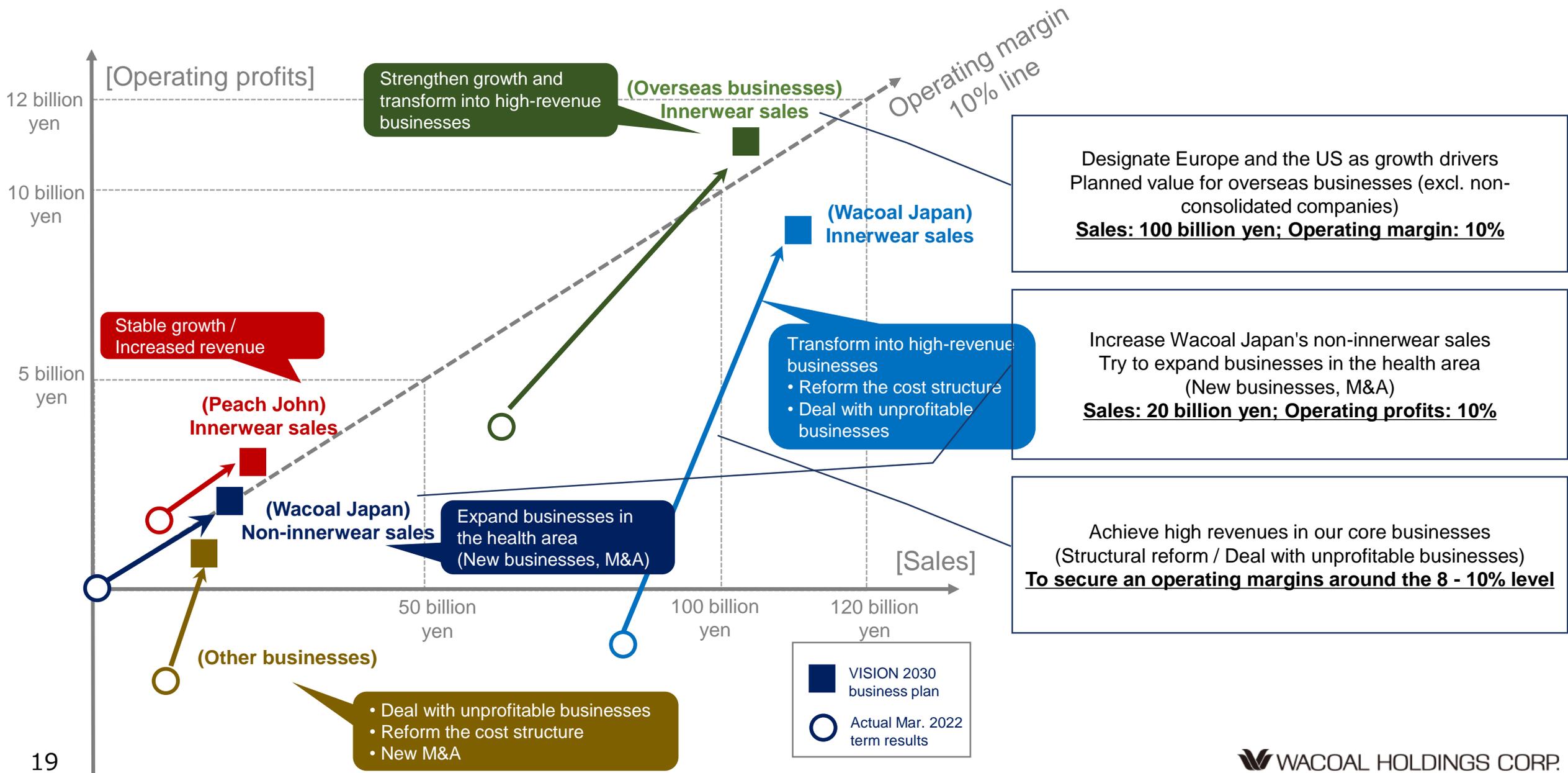
- **Grow steadily in Japan and create new businesses in the health area**
 - ◆ Restore our domestic market shares by promoting our CX strategy (Approx. 24% in the Mar. 2021 term ⇒ Approx. 30% in the Mar. 2031 term)
 - ◆ Expand the areas we do business in within the beauty, comfort, and health fields (Estimated sales from new businesses: Approx. 20 billion yen)

- **Continue expanding in the areas we have entered and grow in the European and Indian markets**
 - ◆ Strengthen digital marketing to acquire new customers, and strengthen CRM to make existing customers loyal
 - ◆ Strengthen brand investment in new markets (Sales targets: 7 billion yen in the Indian market and 3 billion yen in the German market)

- **Strengthen the Group's corporate governance and develop and utilize diverse human resources**
- **Establish both domestic and overseas technology, production, and R&D bases**
 - ◆ Redefine our quality standards, make sewing factories into smart factories, and pursue production and shipping efficiency

- **Continuously generate ROE that exceeds capital cost**
- **Optimize how we distribute value to stakeholders**
 - ◆ Work to have a 10% ROE and optimize the capital structure

VISION 2030 Business Portfolio



Aim to Increase (Domestic) Non-Innerwear Businesses' Sales

Non-innerwear
businesses' sales
20 billion yen

Utilize 3D body data, R&D results, and employee ideas, and promote active M&A and collaboration with other companies;
Strive to continuously provide greater value and achieve discontinuous growth

Utilize 3D Body Data

Supervising division:
Innovation Strategy Office

Data Services

- Provide new services to consumers
- Sell systems for companies

Products

- Develop new products
- Collaborate with other companies

Medical and Social Contributions

- Conduct joint research and contribute to progress on breast reconstruction with the Cancer Institute Hospital and others
- Develop technologies and businesses overseas

Customers' Digital Experiences

- Increase customer experience value
- Third-party sales of services

Utilize R&D Results

Supervising division: Wacoal Human
Science Research & Development Center

Promote human sciences research in collaboration with other companies and universities, etc.

Develop a new service for taking care of one's body

Make practical use of 3D manufacturing technology that uses 3D printers, etc.

Develop personalization services that provide products tailored to each person's figure

Utilize Employee Ideas

Supervising division: Future Business
Development Office

Publicize business ideas and publicly recruit members to develop businesses

Develop new businesses to solve social and health issues

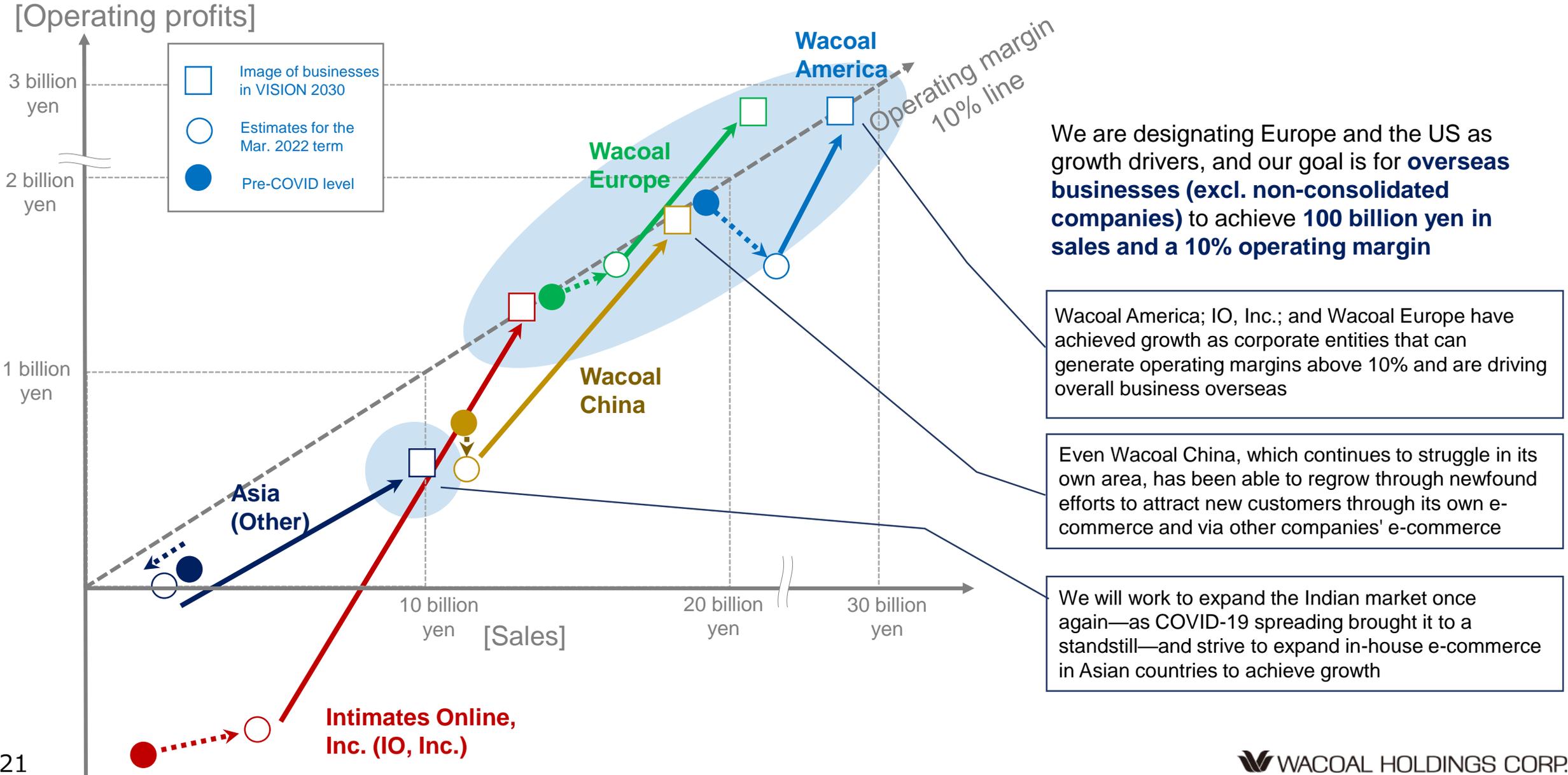
Have the Wacoal Group employees create and develop businesses

Create new businesses that go beyond the existing management framework

Speed up the implementation through M&A and collaboration with other companies

Supervising division: Corporate Planning Department

VISION 2030 Overseas Business Portfolio (Reprint of Material Published on Feb. 10, 2022)



(Overseas Businesses) Key Points for Global Growth

Overseas businesses' sales

108 billion yen

(Operating margin: 10%)

We will work on pushing growth in the areas we have entered (the UK, the US, China) and spreading brand awareness in Europe, India, and other areas, and transform businesses there into high-revenue structures

1 Uplift Growing Markets

Steadily grow in Europe and the US

- ◆ Acquire new customers via stronger digital marketing
- ◆ Make existing customers loyal by utilizing data and strengthening CRM

Break new ground on markets with high sales potential

Estimated
Sales in
Emerging
Areas

Germany: 3 billion yen
India: 7 billion yen



2 Transform into High-revenue Structures

Businesses boldly transform into e-commerce businesses

VISION 2030
E-commerce
Ratio

50% or more

Includes client e-commerce, specialized e-commerce, and in-house e-commerce sales



Convert to the Asia Headquarters System

- ◆ Restructure the sales system and expand e-commerce to suit Asia's market characteristics

Material Issues We Aim to Solve by 2030



Promotion System: The Board of Directors Makes Decisions and Monitors Them

Customers:
Maximize the value provided to customers

Employees:
Achieve growth of each of our employees and establish a highly rewarding organization

Environment:
Preserve the environment globally for future generations

Society:
Realize a society in which everyone plays an active role in their own way

Governance:
Enhance governance toward realization of sustainable growth

(1) Progress on these will be managed at the Management Issues Review Meeting—where they deliberate on management issues—as customers and employees are closely related to the businesses

(2) Progress on these will be managed by the Sustainability Committee (with the Representative Director, President, and Corporate Officer of Wacoal Holdings Corp. serving as the Supervisory Director, and the Director, Vice President Corporate Officer; Representative Director, President, and Corporate Officer of Wacoal Corp. serving as the Committee Chair), established in Apr. 2022. (Projects to raise awareness and further implement the Philosophy are launched under the umbrella of this committee)

<The Sustainability Committee and Its Subcommittees and Projects>

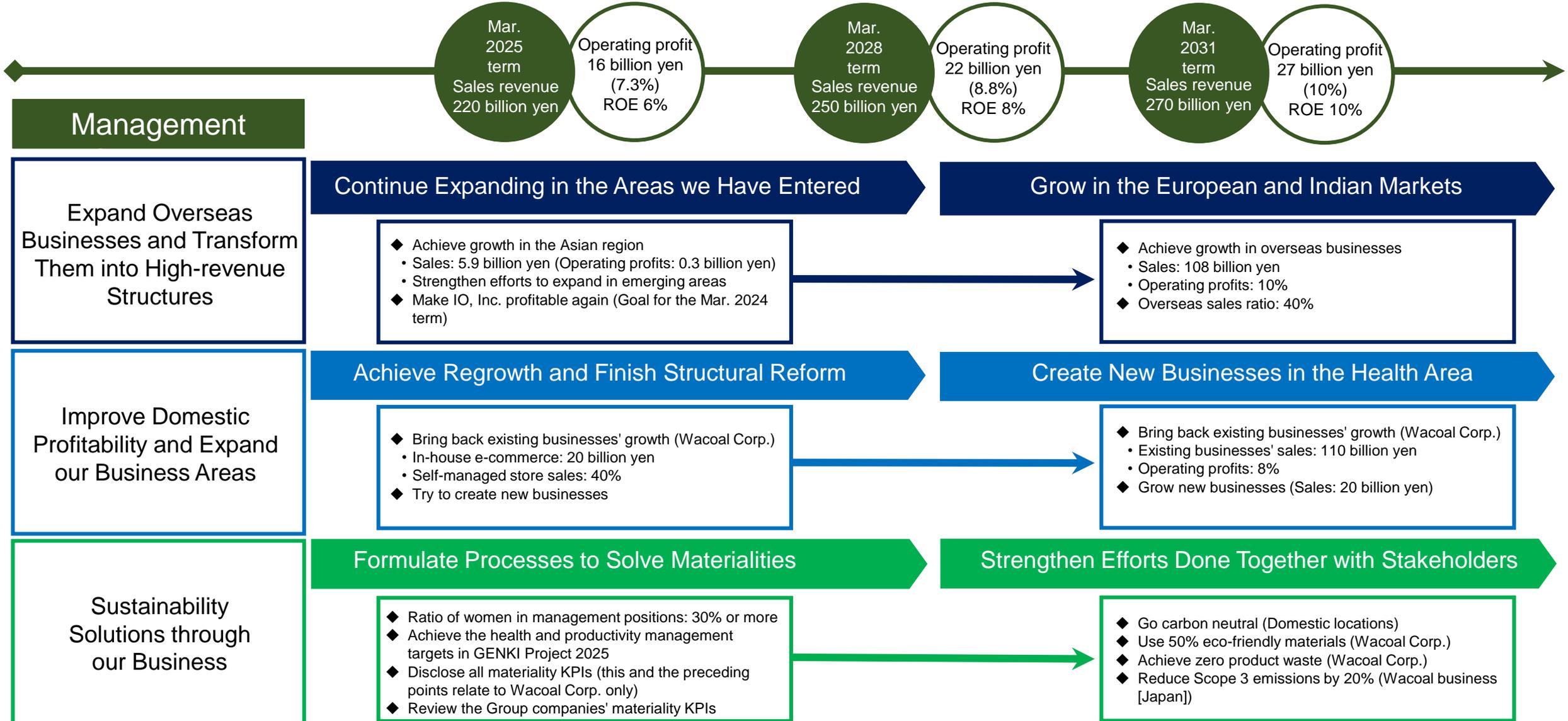
```

graph TD
    SC["Sustainability Committee  
(Committee Chair: Director, Vice President Corporate Officer;  
Representative Director, President, and Corporate Officer)"]
    SCN["Subcommittee for Carbon Neutral"]
    SCRC["Subcommittee for Resource Circulation"]
    SCSP["Subcommittee for CSR Procurement"]
    SCHR["Subcommittee for Human Rights, D&I"]
    P1["Project to Improve Women's QOL"]
    P2["Project to Promote Awareness of the Philosophy"]

    SC --- SCN
    SC --- SCRC
    SC --- SCSP
    SC --- SCHR
    SC --- P1
    SC --- P2
    
```

(3) Progress on related efforts will be managed by the Board of Directors, the Executive Compensation Advisory Committee, and the Executive Nomination Advisory Committee

VISION 2030 Plan Roadmap



1. The Mission We Should Fulfill in Today's Society
2. Reflecting On Our Previous Medium-term Management Plan:
On Formulating VISION 2030 and a Medium-term Management Plan
3. VISION 2030, Our Medium- to Long-term Management Strategy Framework
- 4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)**
5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)
6. How We Must Change Our Ways

Medium-term Management plan Management Targets 1

(billion of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)
Net Sales	205.0	220.0
(% changes from FY2023)	—	+7.3%
Business Income	7.0	16.0
(vs. Net sales)	3.4%	7.3%
Operating Income	6.5	16.5
(vs. Net sales)	3.2%	7.5%
Income before income taxes and equity in net income of affiliated companies	8.0	18.0
(vs. Net sales)	3.9%	8.2%
Net income attributable to owners of parent	5.5	12.5
(vs. Net sales)	2.7%	5.7%

Medium-term Management plan Management Targets 2

(Unit : yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)	3-year total
EPS	97	200 or more	—
ROE	—	6.0%	—
Shareholders' equity	—	About 210 billion	—
Reduction in strategic stockholdings	—	—	(3-year) 10 billion or more
Dividends Per Share	80	—	—
Total dividends	—	—	(3-year) About 20 billion
Share buybacks (FY2023 Implementation)	10 billion	—	10 billion
Growth investments or additional returns (Share buybacks)	—	—	(3-year) 20~30 billion
Investments in existing businesses	6 billion~7 billion	6 billion~7 billion	(3-year) About 20 billion

What We Aim For in the Medium-term Management Plan

**We are laying the foundation to make VISION 2030 a reality.
As a manufacturing company that creates global brands, we will contribute to the affluent lives of many people and transform ourselves into a highly profitable company capable of sustainable growth.**

From Mar. 2023 term to Mar. 2025 term
**Medium-term Management Plan:
Core Strategies**

(Domestic businesses)
Shift to a Resilient Corporate Structure

(Overseas businesses)
Accelerate Global Growth

(Sustainability)
Promote Efforts that Address Materialities

(Financial affairs)
Generate ROE that Exceeds Capital Cost

Create
Expectations

- Bring back Wacoal Japan's growth
- Strengthen potential for growth in Wacoal's overseas business
- Promote a human resources strategy that supports growth

×

Respond to
Requests

- Finish domestic structural reform
- Achieve an ROE above capital cost
- Strengthen responses to human rights and environmental issues

×

Commitment

- Disclose the process to achieve our goal ROE (Reform the revenue structure / Improve capital efficiency)
- Continuously improve the executive compensation system

Core Strategies: Shift to a Resilient Management Structure (Domestic Businesses)

(Domestic businesses)
Shift to a Resilient Corporate Structure

Wacoal

Domestic Subsidiaries



Continue reforming the cost structure (Improve profitability)

- ◆ Become more profitable by reforming working styles and manufacturing structures and pursuing cost effectiveness
 - Personnel planning management Mar. 2025 term KPIs Total labor costs: 25 billion yen or less (Total labor cost ratio of 25% or less)
 - Review the cost-effectiveness of IT and other expenses, maximize the effectiveness of our marketing, and improve stores' revenues

Deal with unprofitable businesses (Improve profitability)

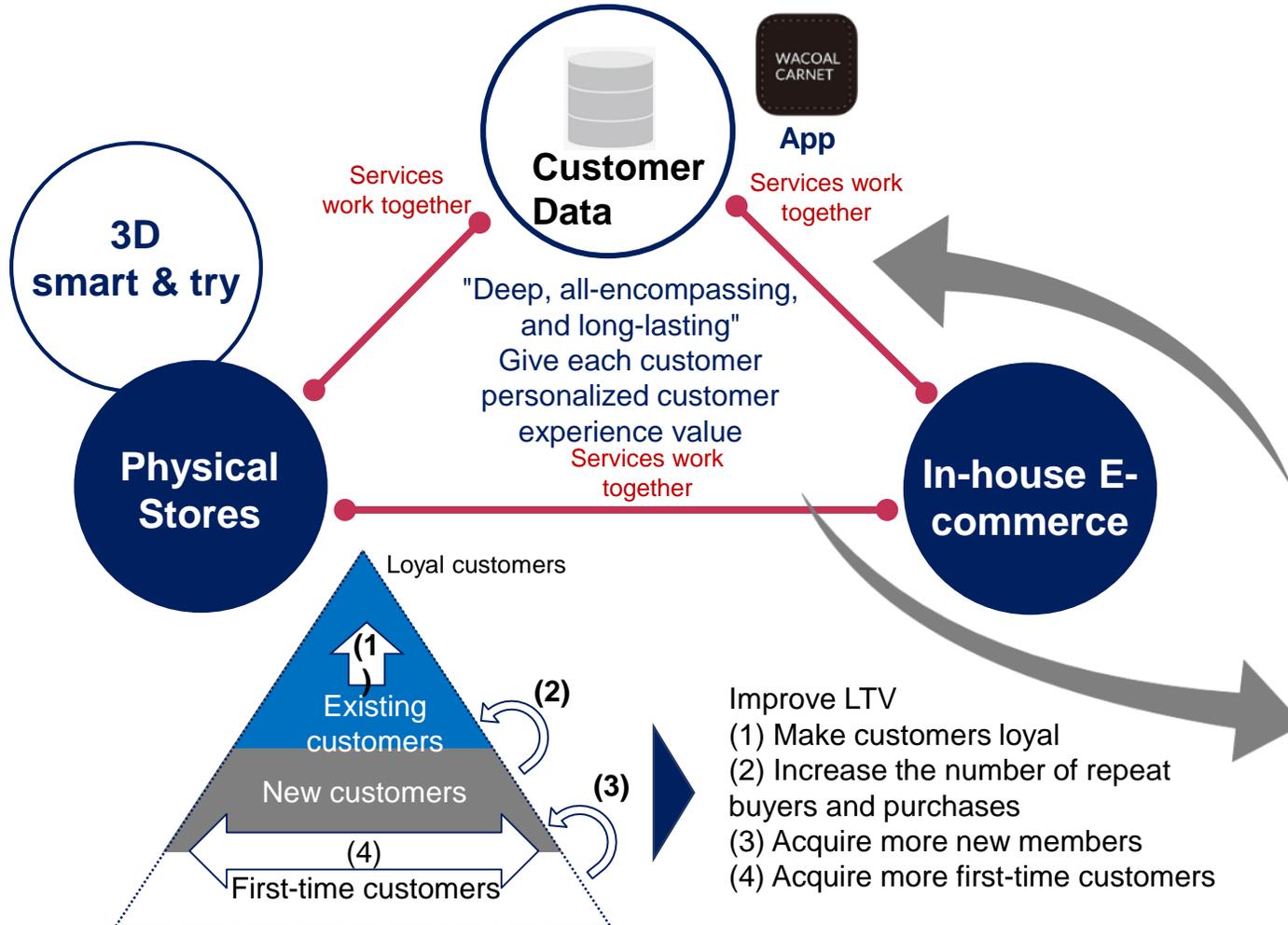
- ◆ Construct a system that will continue delivering reliable profits (Consistently becoming profitable)
- ◆ Decide whether to withdraw or detach businesses via periodic inspections (every half-term) and do so

CX Strategy: Strengthen Communication with Customers with a Focus on Digital

Ratio of membership-only sales to retail store-based sales
Over 60% in the Mar. 2025 term
 (44% in the Mar. 2022 term)

We will use digital technology to connect with customers across channels and brands and expand our customer pyramid

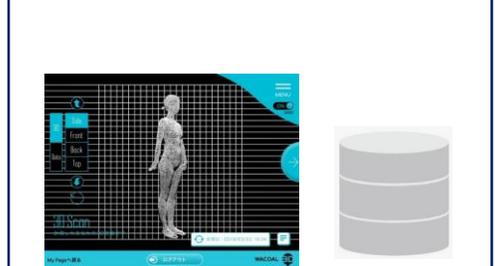
CX Strategy (1) Increase Stores' Value



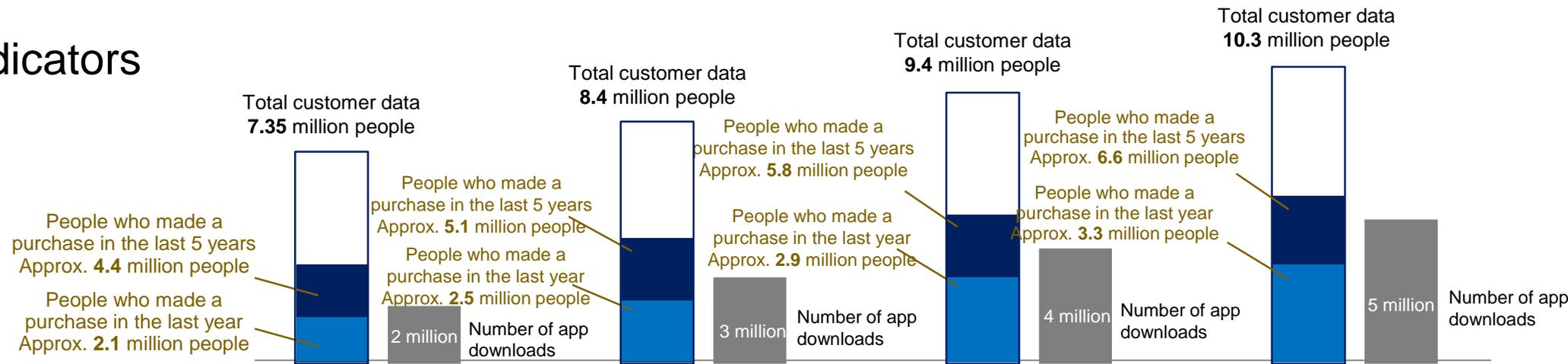
CX Strategy (2) Strengthen E-commerce



CX Strategy (3) Analyze and Utilize Data



CX Strategy: Indicators



	Actual results from the Mar. 2022 term	Estimates for the Mar. 2023 term	Estimates for the Mar. 2024 term	Estimates for the Mar. 2025 term
Wacoal sales (incl. internal sales)	82.8 billion yen	104.4 billion yen	108 billion yen	110 billion yen
Self-managed sales (in-store + in-house e-commerce)	34 billion yen	41 billion yen	45 billion yen	51 billion yen
Ratio to sales	41.0%	39.3%	41.7%	46.3%
Self-managed sales (in-house e-commerce only) * Mail-order catalog sales included	11 billion yen	14 billion yen	17.5 billion yen	23 billion yen
Ratio to sales	13.3%	13.4%	16.2%	20.9%
Sales to members (based on retail prices)	34.3 billion yen	44.8 billion yen	53.2 billion yen	62.3 billion yen
Wacoal members (number of registered members)	7.35 million people	8.4 million people	9.4 million people	10.3 million people
Wacoal members (who have made purchases in the last 5 years)	4.4 million people	5.1 million people	5.8 million people	6.6 million people
Number of members making purchases	2.1 million people	2.5 million people	2.9 million people	3.3 million people
Ratio to Wacoal members	28.6%	29.8%	30.9%	32.0%
Number of WACOAL CARNET (app) downloads	2 million	3 million	4 million	5 million

Core Strategies: Accelerate Global Growth (Overseas Businesses)

(Overseas businesses)
**Accelerate
 Global Growth**

Accelerate DX on a global scale (Promote our CX strategy)

- ◆ Increase customer experience value by combining our online and offline operations
- ◆ Acquire new customers via stronger digital marketing
- ◆ Make existing customers loyal by utilizing data and strengthening CRM

**Wacoal
 America**

**Mar. 2025 term
 Operating
 Profit Margin
 around 8%**

Estimated sales in Mar. 2025
 212 million USD

- Aim for e-commerce growth through aggressive investments in digital technology and in-house e-commerce
 - Utilize our digital fitting app to improve CX
 - Increase the e-commerce sales ratio by making the website more convenient and enhancing logistics



Questions about figure



Product suggestions

IO, Inc.

**Mar. 2024 term
 Break Even**

Estimated sales in Mar. 2025
 110 million USD

- Acquire more customers by enhancing marketing to boost brand power (Quickly settle on a new method of advertising to replace targeted advertisements)
- With a goal to achieve 100 million USD in sales, we will keep actively investing to increase brand awareness for the time being while also working to increase revenue through improvements in areas such as production, logistics, and inventory management
- We hope to break even during the Mar. 2024 term

Core Strategies: Accelerate Global Growth (Overseas Businesses)

(Overseas businesses)
**Accelerate
Global Growth**

Accelerate DX on a global scale (Promote our CX strategy)

- ◆ Increase customer experience value by combining our online and offline operations
- ◆ Acquire new customers via stronger digital marketing
- ◆ Make existing customers loyal by utilizing data and strengthening CRM

**Wacoal
Europe**

**Mar. 2025 term
Operating
Profit Margin
around 10%***

Estimated sales in Mar. 2025
125 million GBP

- United Kingdom: Promote our CX strategy using in-house e-commerce and 3D smart & try
 - In order to widen the scope of brand awareness and see e-commerce growth, we will improve customer experience value in physical stores via new services and strengthen the connection they have to our online presence
 - This will start rolling out to UK retail locations in 2022
- Europe: Strengthen development in the German market, which has great potential for growth

**Wacoal
China**

**Mar. 2025 term
Operating
Profit Margin
around 6%**

Estimated sales in Mar. 2025
926 million CNY

- Strengthen brand and product development in a way that suits customer and distribution channel characteristics
- Strengthen CRM work
 - Acquire customers by developing high value-added products and strengthening connections between physical stores and e-commerce
 - Make existing customers loyal by utilizing data and strengthening CRM
 - Use new product strategies in e-commerce businesses to capture middle-class customers
- For physical stores, strengthen the retail store front by putting them into department stores, malls, etc.

1. The Mission We Should Fulfill in Today's Society
2. Reflecting On Our Previous Medium-term Management Plan:
On Formulating VISION 2030 and a Medium-term Management Plan
3. VISION 2030, Our Medium- to Long-term Management Strategy Framework
4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)
- 5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)**
6. How We Must Change Our Ways

Management Targets for the Mar. 2025 Term: Executive Summary

Sales revenue
220 billion yen

Aim to bring back growth, primarily in the domestic and international Wacoal business

- ◆ Wacoal: Promote our CX strategy and reinforce brand and product development capabilities to successfully regrow
- ◆ Overseas: Grow in major regions (Europe, the US, and China) centered around e-commerce businesses

Operating profit
16 billion yen

Accelerate the shift to a resilient corporate structure

- ◆ Continue pushing to reform the revenue structure via methods such as personnel planning management and improving other subsidiaries' profitability
- ◆ Take into account the ideal business portfolio and businesses' futures, and decide whether to continue or change them

Net income attributable to the parent company's owner
12.5 billion yen

Aim to surpass our highest net profits of 12 billion yen

- ◆ Continue structurally reforming our businesses and shift to a stable, profitable structure

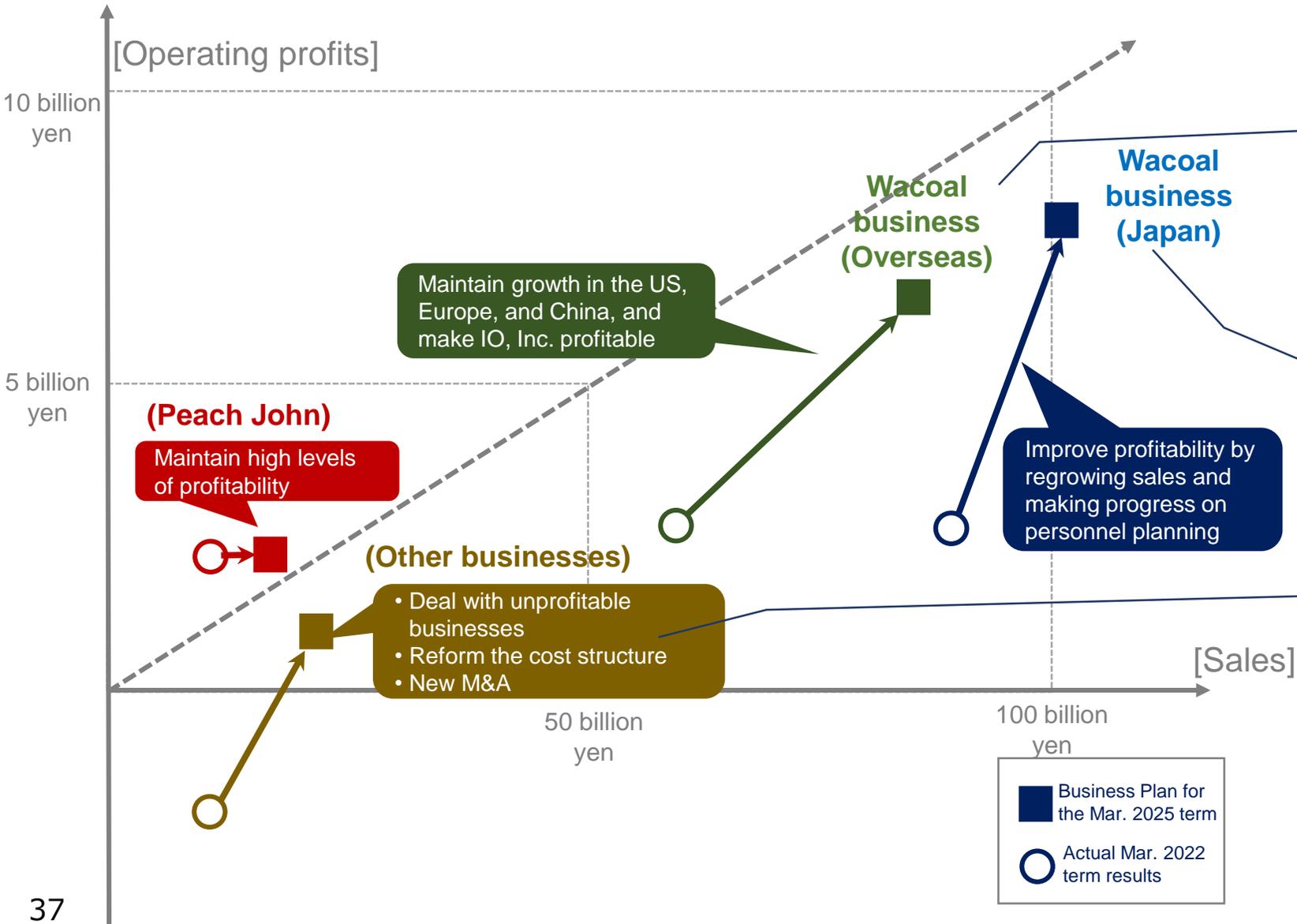
EPS
200 yen or more

Achieve EPS growth—in addition to profit growth—by actively returning profits to shareholders

- ◆ Actively return profits to shareholders to improve capital efficiency (100% or more total ratio for returns during the medium-term plan period)

Operating Profit Plans by Segment for the Mar. 2025 Term

We aim to achieve an **overall margin of 7% or more** by fostering domestic and international sales and increasing revenue



➤ Wacoal business (Overseas)
Operating profit margin: 7% (6.2 billion yen)

- Grow along with profitability centered around e-commerce
- Shift IO, Inc. to a profitable structure

➤ Wacoal business (Japan)
Operating profit margin: 7% (7.5 billion yen)

- Make Wacoal more profitable by regrowing sales and making progress on personnel planning

➤ Other: **2.3 billion yen (incl. 1.6 billion yen from PJ)**

- PJ: Maintain high levels of profits
- Other: Take into account business portfolios and businesses' futures and continue adjusting them

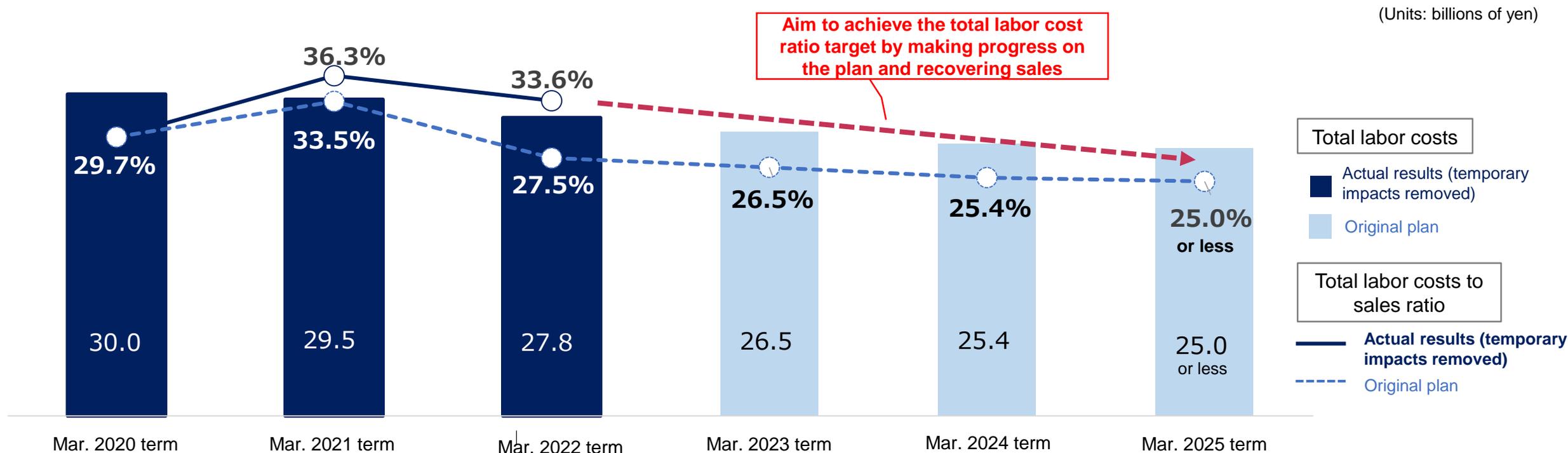
Wacoal Corp. Structural Reform: Target Values for the Mar. 2025 Term

Total labor costs for the Mar. 2025 term
25 billion yen or less
 (Total labor cost ratio of 25% or less)

Continue to push personnel planning management

- ◆ Continue with personnel planning management to achieve a high-revenue structure
- ◆ Progress up to the Mar. 2022 term: 2.2 billion/5 billion yen 3-Year Plan (up to the Mar. 2025 term): Reduce by an additional 2.8 billion yen

<Progress in Personnel Planning Management> *1. Changes in total labor costs including manufacturing labor costs
 *2. Only the effects of personnel planning (headcount reduction and optimal allocation) are reflected



Financial Policies during the Medium-term Management Plan (Mar. 2023 Term to Mar. 2025 Term) Period

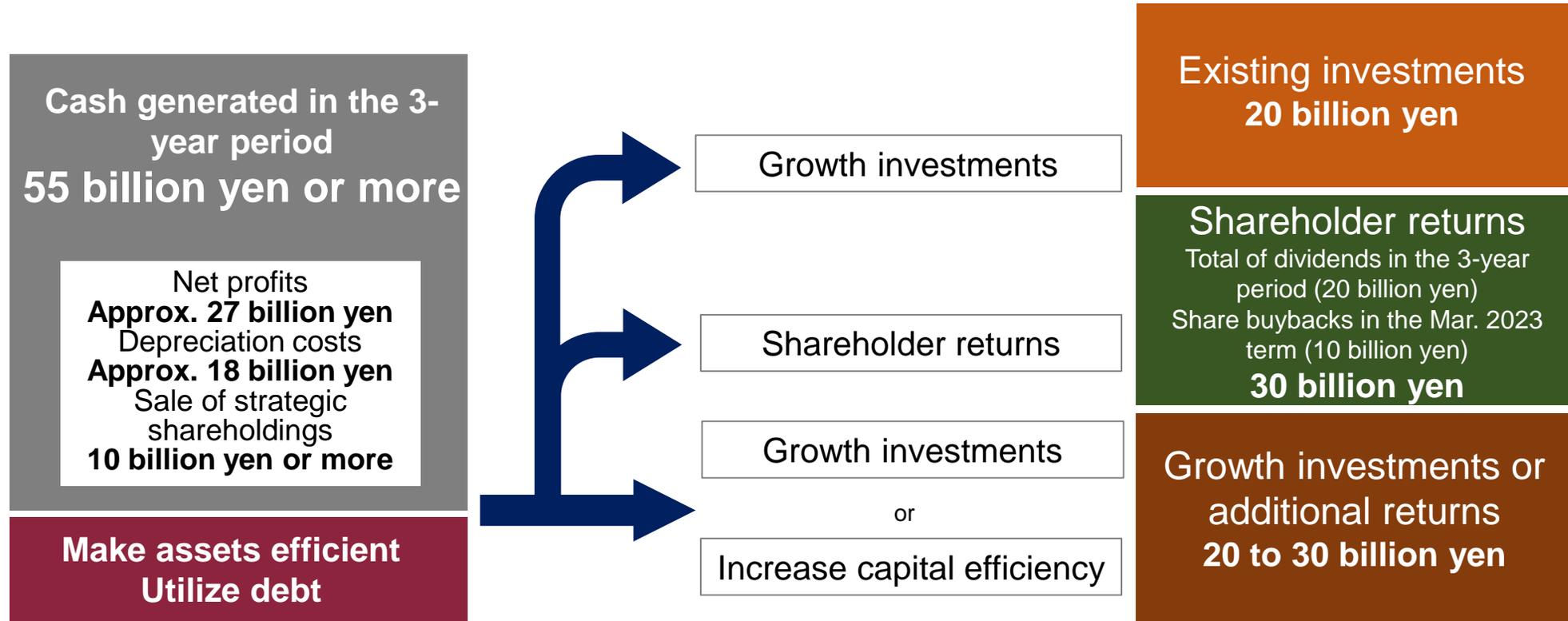
Primary Management Policies	<ul style="list-style-type: none"> ➤ Work on becoming more profitable as our highest priority, and also aim to boost our ROE by improving both asset and capital efficiency ➤ Prioritize investment in future growth and actively return profits to shareholders to improve our capital efficiency
------------------------------------	--

Financial Indicators (KPIs)

ROE 6.0%	<ul style="list-style-type: none"> ◆ Generate ROE that exceeds capital cost ◆ Work on becoming more profitable and aim to boost our ROE by improving both asset and capital efficiency
Reduce strategic shareholdings by 10 billion yen or more	<ul style="list-style-type: none"> ◆ Continue actively reducing strategic shareholdings ◆ Aim for strategic shareholdings to make up 15% or less of our net assets in the medium to long term
Improve the 3-year cumulative total return ratio to get to 100% or more	<ul style="list-style-type: none"> ◆ Pay out stable dividends at approx. a 50% or higher payout ratio ◆ Flexibly buy back shares to improve capital efficiency
Shareholders' equity 210 billion yen	<ul style="list-style-type: none"> ◆ Continue investing in growth and improving profitability and capital efficiency in order to boost our ROE ◆ Consider utilizing interest-bearing debt from the viewpoint of improving our corporate value

Plan for Investments and Shareholder Returns (Mar. 2023 Term to Mar. 2025 Term)

Growth Investments	<ul style="list-style-type: none"> ◆ Invest in IT and digital technology in order to grow, and consider opportunities to invest in new businesses ◆ Investments in existing businesses: 20 billion yen; Investments in new businesses: 20 to 30 billion yen
Shareholder Returns	<ul style="list-style-type: none"> ◆ We plan for the total amount of dividends during this 3-year period to be 20 billion yen; the company will also buy back 10 billion yen of its shares in the Mar. 2023 term ◆ If we cannot find any appropriate growth investments, we will give additional returns to further improve our capital efficiency (20 to 30 billion yen)



Efforts to Improve Effectiveness

Push for Group Management Make the Group More Capable

- Establish a highly effective business management system in order to achieve our medium- to long-term plans
- Start reviewing the compensation system to make the Board of Directors more effective

1 Review the Management Structure and Clarify Who Is Responsible for Each Business

- ◆ Move the Global Division—which oversees our overseas businesses—from Wacoal Corp. to Wacoal Holdings Corp. to bolster our global management system
- ◆ Expand 3D smart & try overseas and share each company's marketing know-how

Future Business

Titles are as of the Ordinary General Meeting of Shareholders scheduled to be held on Jun. 29, 2022



Representative Director, President and Corporate Officer
Hironobu Yasuhara



Director, Vice President Corporate Officer; Representative Director (President and CEO of Wacoal Corp.)
Tomoyasu Ito



Director, Executive Corporate Officer, and General Manager of Global Division
Masaaki Yajima



Director and Managing Corporate Officer in charge of Group Business Management
Akira Miyagi

2 Continuously Improve the Executive Compensation System

From Jun. 2021

Introduce a restricted stock compensation system

To be considered from 2022

Matters the Executive Compensation Advisory Committee will review

- ◆ Review the structure of basic compensation, performance bonuses, and stock compensation starting in Jul. 2022, starting with the ratio of basic to stock-based compensation, and then move to a structure where higher-ups receive a higher ratio of stock-based compensation
- ◆ Review the calculation method for performance bonuses

3 Ensure Diversity on the Board of Directors

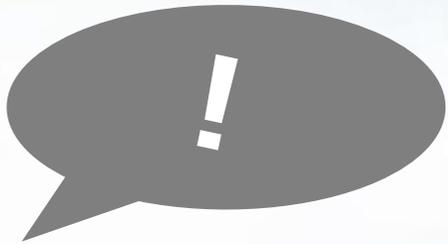
- ◆ Consider our medium- to long-term strategies and ensure the Board of Directors maintain their expertise, independence, and diversity
- ◆ Continue working to ensure diversity within the company, including pushing for women to actively participate

* Group corporate officers have also been appointed in order to utilize personnel, assets, know-how, networks, and more across boundaries within the group (Corporate officers are those in charge of the Group's HR, IT advancement, R&D, technology and manufacturing, quality assurance and sustainability management, intellectual property, DX marketing strategy, and sustainability advancement)

1. The Mission We Should Fulfill in Today's Society
2. Reflecting On Our Previous Medium-term Management Plan:
 On Formulating VISION 2030 and a Medium-term Management Plan
3. VISION 2030, Our Medium- to Long-term Management Strategy Framework
4. Medium-term Management Strategy (Mar. 2023 Term to Mar. 2025 Term)
5. Financial Strategy (Mar. 2023 Term to Mar. 2025 Term)
- 6. How We Must Change Our Ways**

What the Wacoal Group is Currently Lacking

Members of the Sustainability Promotion Project—which operated mainly with next-generation leaders and young employees—discussed this topic
(Active from Apr. 2021 to Mar. 2022)



- Observing things from all perspectives
- Understanding people and things on deep levels, not superficially
- Finding better solutions through sound discussions with no surmising or guessing
- Being aware of global issues—such as the environment and human rights—and the planet's future
- Taking on new challenges without being afraid of the risks
- Co-creating and working hard together across organization and company boundaries
- Taking responsibility for our own roles and actions, and being more aware of compliance

VISION 2030: Executive and Employee Action Guidelines Formulated to Strengthen Our Ability to Adapt to Change

Guidelines for
the Actions of
Officers and
Employees

"Think about the happiness of others"

Do you consider the happiness of people around you, including the customers, suppliers, and employees coworker you work with?

"Embrace curiosity and use all five senses"

Have you noticed or discovered anything new lately?

"Consider the reason and purpose"

Do you understand the true meaning and root cause; why and what for?

"Respect diverse opinions"

Do you listen to people's opinions with humility and have constructive discussions without making assumptions?

"Make decisions for the future"

Do you act not only for immediate results, but also for a successful future?

"Give it a try first"

Do you give up out of fear of risks? Do you support people who take on challenges?

"Work together"

Do you strive for great success through teamwork and collaboration?

"Act with honesty and responsibility"

Do you communicate appreciation for others? Do you have blameless problem-solving approach?

By taking on the challenge of change and continuing to grow, we will become a force that makes the world beautiful



(Note) Medium-Term Management Plan Briefing Session Material
Supplementary material

Reference 1 "VISION 2030" and FY2025 plan

【Exchange rate】

USD	GBP	CNY
120.00	155.00	19.00

(Billions of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)	FY2031 plan (Final year of VISION2030)
Net Sales	205.0	220.0	270.0
Domestic Business Net sales ※Total Sales of Wacoal Business (Japan), Peach John, etc.	134.9	133.2	162.0
(vs. Net sales)	65.8%	60.5%	60.0%
Overseas Business Net sales	70.1	86.8	108.0
(vs. Net sales)	34.2%	39.5%	40.0%
(reference) Sales including equity-method affiliates	-	-	340.0
Business Income	7.0	16.0	27.0
Business Income ratio	3.4%	7.3%	10.0%
Net income attributable to owners of parent	5.5	12.5	21.0
ROE	-	6%	10%
Shareholders' equity (billion)	-	210.0	210.0

Reference 2 FY2025 plan (Final year of midium-term management)
 ※repost

【Exchange rate】		
USD	GBP	CNY
120.00	155.00	19.00

(Billion of yen)

	FY2023 plan (First year of medium-term management plan)	FY2025 plan (Final year of midium-term management plan)
Net Sales	205.0	220.0
(% changes from FY2023)	—	+7.3%
Business Income	7.0	16.0
(vs. Net sales)	3.4%	7.3%
Operating Income	6.5	16.5
(vs. Net sales)	3.2%	7.5%
Income before income taxes and equity in net income of affiliated companies	8.0	18.0
(vs. Net sales)	3.9%	8.2%
Net income attributable to owners of parent	5.5	12.5
(vs. Net sales)	2.7%	5.7%

Reference 3 FY2025 Major Subsidiaries plan

[Exchange rate]		
USD	GBP	CNY
120.00	155.00	19.00

(Million of yen)

		FY2023 plan				FY2025 plan			
		Net sales	% Change	Operating income	% Of sales	Net sales	% Change (vs FY2023)	Operating income	% Of sales
Wacoal Business (Japan)	Wacoal	102,900	—	3,000	2.9	107,500	+4.5%	7,500	7.0%
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	30,027	—	384	1.3	38,122	+27.0%	2,377	6.2%
	Wacoal Europe Ltd.	17,302	—	1,404	8.1	19,377	+12.0%	1,652	8.5%
	Wacoal China Co., Ltd.	14,516	—	415	2.9	17,601	+21.3%	1,034	5.9%
Peach John Businesses		12,750	—	1,490	11.7	13,510	+6.0%	1,565	11.6%
Other Businesses	Lecien	3,200	—	▲ 170	—	3,580	+11.9%	200	5.6%
	Nanasai	6,423	—	0	0.0	8,315	+29.5%	280	3.4%
	A i	2,700	—	10	0	3,594	+33.1%	200	5.6%

Major Overseas Subsidiaries (Local Currency Basis)

		FY2023 plan				FY2025 plan			
		Net sales	% Change	Operating income	% Of sales	Net sales	% Change (vs FY2023)	Operating income	% Of sales
Wacoal Business (Overseas)	Wacoal International Corp. (U.S.)	250,221	—	3,199	1.3	317,687	+27.0%	19,810	6.2%
	Wacoal Europe Ltd.	111,629	—	9,058	8.1	125,012	+12.0%	10,659	8.5%
	Wacoal China Co., Ltd.	763,993	—	21,817	2.9	926,390	+21.3%	54,410	5.9%



The information contained in this document has been prepared based on information available at the time of this publication. The company does not warrant or promise that the information will lead to successful results. This document is subject to change without notice.

While we exercise great care when posting this information, we are not responsible for any errors in the information published.