

March 27, 2026
Wacoal Holdings Corp.

Summary of Q&A at FY2026 Business Results Presentation

[Date & Time]Friday, May 15th, 11:00 AM – 12:00 PM

[Speakers]

Representative Director, President and CEO (Group CEO)	Masaaki Yajima
Representative Director, President and CEO of Wacoal Corp.	Keisuke Kawanishi
Corporate Officer and CFO	Katsuya Hirooka

Q1: How did you end FY2026 in comparison to your plan? What factors in particular cause business profit to swing upward by approx. ¥1.0 billion?

A1: While revenue fell short of the plan, business profit exceeded it. Regarding the major factors in revenue being below the plan, poor performance overseas, in the U.S. and China in particular, had a significant impact. Domestically, performance was almost as planned.

Factors in the upswing in business profit included the uncompromising control of costs at each company and the impact of tariffs being smaller than initially expected. In particular, we moved forward with cost reductions in the U.S. and China, where performance was poor. We also strengthened our control of advertising expenses in Europe. Profit improved as a result.

Q2: Could you talk about the PMI and synergy following the acquisition of Glamorise?

A2: Glamorise is a manufacturer specialized in plus-size (full-figure) products. Their major products are soft cup (wire-free) products. Their price ranges and specifications are different from the existing Wacoal America products, which means there is no overlap. In the plus-size segment, customer loyalty is high, and it is difficult for physical stores to deal in products in many size, so they are offered mainly via EC. The segment is therefore less prone to price competition, which makes it possible to secure a stable profit margin. This is our thinking.

We are proceeding with the PMI, including the integration of human resources. Glamorise does not have its own factory, and we are considering transferring its production, which is now outsourced, to our factory in the Dominican Republic. The evaluation process has nearly been completed, and collaborations with local people are also progressing favorably.

Q3: Which brands in the domestic business will you strengthen in FY2027?

A3: For innerwear, the affordable and high premium line markets are two poles that are growing. We will therefore focus on these price ranges as we strive to increase revenue. We aim to increase overall revenue while also revising prices, although the strength of the different brands

vary. Looking at products other than innerwear, we will strengthen conditioning wear with a focus on CW-X. In addition, we will expand new channels, including drugstores, to create sales opportunities.

Q4: The business profit plan for FY2027 is ¥0.5 billion, which is felt to be low. What is the background behind this?

A4: Over the past three years, we have not been able to achieve the expected revenue growth because of structural changes taking place in the innerwear market as a whole. The demand for our mainstay highly sculpted products with high unit prices has waned, and a shift to more casual products is in progress. In addition, the shrinkage of department stores and other existing channels is having an impact, and it has made the market environment difficult. We have implemented internal structural reforms, including a consolidation of brands and product numbers. These efforts have had certain effects, but we have yet to catch up fully with the environmental changes. In light of this environment, we believe it will be difficult to achieve the significant growth of revenue in the innerwear business going forward. We need to change the way that we think drastically.

We first started reforms, including our withdrawal from loss-making stores, in China where we have problems on the profit front. This has generated costs, including expenses associated with the closure of stores. In addition, while we are strengthening sales of CW-X in the U.S., we are in an up-front investment phase in FY2027. These efforts will begin to contribute to profit in or after FY2028. In light of these factors, we are planning for business profit of ¥0.5 billion.

Q5: The gross profit margin improved in FY2026. What caused gross profit to fall short of the plan?

A5: Gross profit fell short of the plan because of the misallocation of costs and SG&A expenses in a part of the projections for closing adjustments. Substantial factors excluding this are the faster-than-expected acceleration of the depreciation of the yen that began in November 2025, depressed gross profit, and also the decrease in revenue.

Q6: What comments do you have about the impact of tariffs on brassieres from the Dominican Republic to the U.S., which have become 0%.

A6: In FY2026, tariffs had a positive impact on profit, which was approx. ¥0.2 billion above the initial forecast in the U.S. Their impact was around ¥0.8 billion. In FY2027, this is expected to decrease to around ¥0.5 billion. We expect that the tariff burden will decrease by around ¥0.3 billion compared to FY2026.

Q7: Compared to Wacoal Corp.'s non-consolidated business profit of ¥1.4 billion in

FY2027, non-consolidated business profit for the domestic segment was -¥1.3 billion.

What are the factors in this large gap?

A7: There are two factors. One is that the domestic segment includes subsidiaries whose business performance has been sluggish in addition to Wacoal Corp. The other is differences in accounting standards. Accounting treatments for actuarial differences related to retirement benefits are different under Japanese GAAP and IFRS. While this has a positive effect on the non-consolidated business profit of Wacoal Corp., the positive effect is nullified on a consolidated basis. As a result, there was a large difference in the business profit of Wacoal Corp. and the domestic segment.

Q8: Which specific consolidated subsidiaries in the domestic segment are performing poorly?

A8: In addition to brand subsidiaries such as une nana cool and Lingè Noël, functional subsidiaries such as Wacoal Distribution and Wacoal Manufacturing also impacted the figures.

Q9: Am I right in understanding that profit at Wacoal America is not expected to improve greatly and will remain flat in FY2027, and, in contrast, profit in China is forecast to decrease greatly as revenue increases? I feel that closing stores would result in a decrease in revenue and an improvement in profit. Please comment on this in detail.

A9: Wacoal America is in a phase in which investments and structural reforms are being prioritized. While Glamorise is expected to contribute to profit, we will also invest in CW-X and the strengthening of brands. We will also make investments to recover brand visibility, which has declined.

We aim to expand revenue in China in the EC domain. Because the revenue at the stores to be closed is small, their negative impact on revenue will not be great. However, profit is expected to decrease because we will incur costs, including expenses associated with the closure of stores.

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