

Wacoal's Competitive Advantages and the Provision of Value

Advantages cultivated through the manufacture of products loved by customers



Research & Development

A scientific perspective
supporting beauty creation

- Abundant physique measurement data
- Accumulated knowledge of the Human Science Research Center

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Product Planning

A passion
for manufacturing

- Unique designing for optimal wearing comfort
- An integrated manufacturing system responsive to market feedback

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With a view to helping women to express their beauty, we have devoted ourselves to developing and manufacturing products that appeal to the aesthetic of each age and that inspire long-term loyalty among customers. The provision of quality products that foster long-term customer loyalty no matter what the era is central to our mission and the value we provide. The systems that create these quality products are Wacoal's greatest competitive advantage. Over our history, such systems have become assets embedded in our organization.

In this section, we introduce some of the organizational assets we have established by systemizing our advantages.



Manufacturing / Quality Control

— ◆ —
The provision of
reliability and safety

- Advanced sewing skills
- A unique quality control system

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Sales

— ◆ —
Closeness
to each customer

- Systemized sales training
- Powerful brands

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Research & Development

The findings of the Human Science Research Center form the basis of our creation of beauty. To realize products loved by customers, the center researches and formulates theories on beauty, comfort, and health in relation to women's physiques. The data that the center has accumulated over 55 years underpins our businesses. Wacoal leverages the data not only to develop new products but also to maintain quality and make forays into new business fields.



A scientific perspective supporting beauty creation

- Abundant physique measurement data
- Accumulated knowledge of the Human Science Research Center

Number of people from whom we have gathered physique measurement data

Approx. **45,000**

Number of people from whom we gather physique measurement data on a continuous basis (every five years)

Approx. **1,000**

Number of coordinate values measured by our 3D measuring equipment

Approx. **40,000**

The Main Activities of the Human Science Research Center

1. Physique research

- ◆ Shape research
- ◆ Movement research
- ◆ Sensation physiology research

2. Product evaluation research

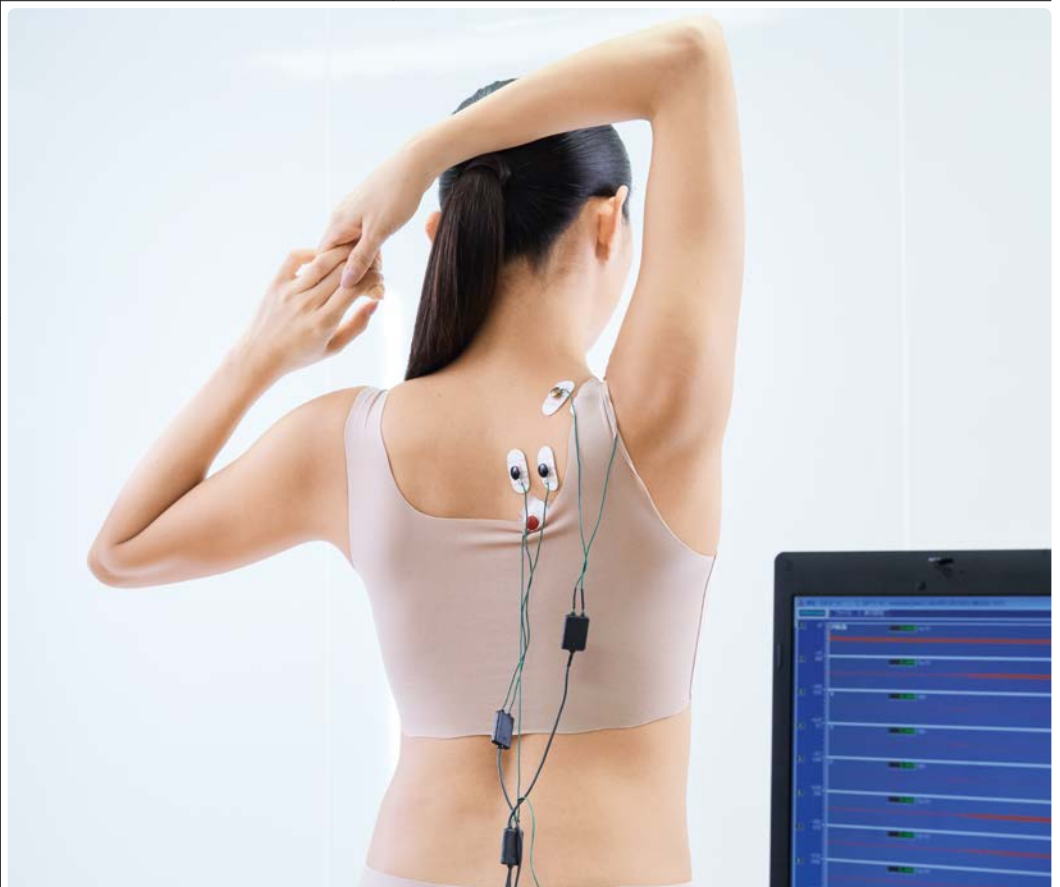
- ◆ Apparel pressure balance evaluation
- ◆ Figure enhancement evaluation
- ◆ Muscle fatigue evaluation

3. New product development

- ◆ Innerwear with new functionality
- ◆ Sportswear
- ◆ Footwear, etc.



Every year, the Human Science Research Center takes the measurements of about 1,000 people. Moreover, some of these subjects conclude monitor contracts for product development cooperation. Monitors participate in trial fittings and other product evaluation activities as required.

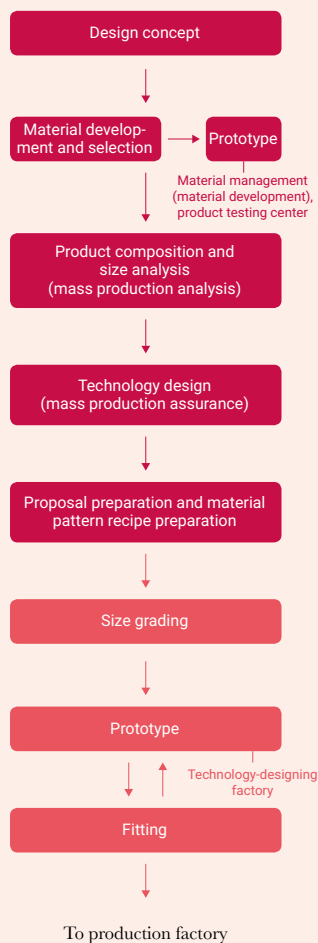


Product Planning

With the aim of helping women to express their beauty while catering to their current needs, more than 200 Wacoal innerwear designers use creativity and physique measurement data to realize products that afford wearers physical and emotional comfort.

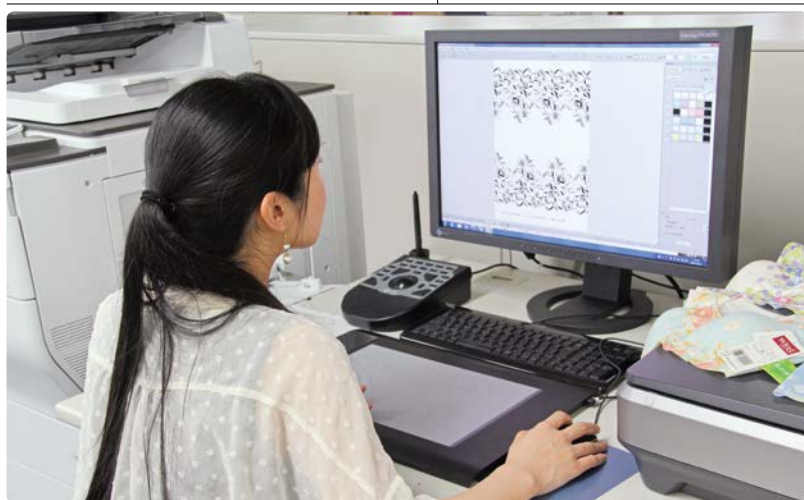
By repeatedly cycling through a process of fittings, analysis, and improvements, we realize optimal wearing comfort and figure enhancement.

Brassiere planning process



A passion for manufacturing

- Unique designing for optimal wearing comfort
- An integrated manufacturing system responsive to market feedback



There is no dedicated institution for training innerwear designers. For this reason, Wacoal develops and hones the skills of designers in-house. Our investment in fostering personnel able to create products loved by customers is a source of differentiation and competitive superiority.

Total number of fittings*1

900

*1 Fittings at the basic analysis and mass production analysis stages for Wacoal brand products in each season

Total number of prototype analyses*2

Approx. **1,500**

*2 Basic analyses and mass production analyses for Wacoal brand products in each season

Manufacturing / Quality Control

For Wacoal, “product quality preservation” is part of the value that it provides and a significant social responsibility. The quality of our products is supported by the handwork of highly skilled sewing personnel with years of experience and a quality control system that sets and ensures the implementation of stringent, painstaking standards for all processes, from material procurement through to production.



The provision of reliability and safety

- Advanced sewing skills
- A unique quality control system

To ensure that we provide customers with safe, quality products, we have prepared original guidelines and rules for specific types of products and materials. As well as checking the durability of products, we test their individual components.



Number of items checked in basic quality testing

150 for each product variety

Number of types of stipulations and guidelines on the functional quality of materials and products

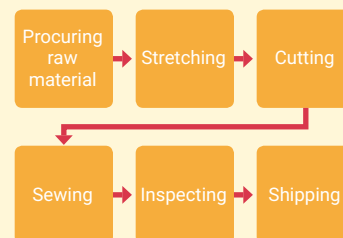
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Total number of meetings of the Quality Assurance Inquiry Committee and the Quality Control Committee per year

Approx. **100**



Brassiere production process



For factory environments and all processes through to shipping, we have established requirements for checking frequencies and methods and set standards for quality control.

Sales

Beauty advisors play an important role in ensuring that customers receive the best-fitting products. By using specialized knowledge and skills to help accentuate the beauty of each person, we build relationships with customers that are deeper, broader, and longer.



Number of beauty advisors*

Approx. **3,500**

(Approx. 8,000 worldwide)

Store sales per beauty advisor (annual)*

Department stores

Approx. ¥ **26** million

General merchandise stores

Approx. ¥ **23** million

Number of inquiries received by the Customer Service Center (annual)*

Approx. **34,000**

* Coverage: Wacoal Corp.

Closeness to each customer

- Systemized sales training
- Powerful brands



Through such training programs as our original measurement and fitting technique examination and the Nihon Body Fashion (NBF) Association standardized examination, beauty advisors acquire skills that heighten levels of customer satisfaction and learn about the spirit of hospitality. During their day-to-day work, our beauty advisors further develop these skills.

