

Strategies by Business: The Wacoal Business (Domestic)
A Message from the Director in Charge of Products

We will help enrich our customers’ daily lives by enhancing unique manufacturing processes and systems even further and implementing customer-driven brand strategies.



Evolving Long-Cultivated Manufacturing Strengths

The lifestyles of many customers have changed due to a greater emphasis on health and safety brought on by the COVID-19 pandemic. While on the one hand, an increase in time spent at home has boosted demand for wearing comfort suited to relaxation, on the other, demand for products with greater functionality is trending upward amid concerns over a

lack of exercise associated with long periods of self-quarantine. In addition, companies marketing midrange to high-end apparel are struggling as a result of the prolonged COVID-19 pandemic, but the presence of global brands based on specialty store retailer of private label apparel (SPA) business formats is growing.

With the aim of evolving into an organization that can swiftly adapt to the aforementioned changes in customer priorities and market trends, Wacoal Corp. implemented a

bold reorganization in April 2021. Under the previous sales channel-based organizational structure, each operation division and business division had its own product planning, sales, and other functions. Through the reorganization and streamlining of these functions, we have transitioned to a system that allows for more flexibility in decision-making, which helps us to resolve issues related to customers and distribution.

Under the reformed organization, as the corporate officer in charge of products, I manage all brand groups (including the Wellness Business Department), which are responsible for manufacturing. The scope of my responsibilities also encompasses the Marketing Management Department, tasked with conducting integrated marketing operations for the entire Company. In addition to maximizing brand value by enhancing the sophistication and efficiency of manufacturing—which is our strength—and implementing better product and brand strategies, my role in the new organization is to facilitate cross-divisional collaboration with the Sales Division, which is responsible for sales operations, and to accelerate business transformation throughout the Company.

Aiming to Maximize Brand Value

The three brand groups, which are engaged in product planning and manufacturing, are as shown in [TABLE 1](#).

For many years, Wacoal Corp. achieved strong growth by adopting a sales channel strategy and having in-house brands compete with each other. As a strong sense of competition drove the operating company's growth, connections between divisions were tenuous, and there was little cross-divisional collaboration. Moreover, certain operational areas were inefficient because in a given business department, planning, development, and materials procurement were conducted separately for each brand, resulting in different development processes and schedules among the brands.

As far as possible, we must standardize our distinctive manufacturing processes and systems so that, in accordance with Our Value, we can create products loved by customers and new products that meet the needs of the times and thereby maximize the value of each brand. For example, we should establish basic product designs common to all brands and, where feasible, standardize certain materials and components. Improving operational efficiency through the establishment of a shared manufacturing infrastructure will free up designers to concentrate on creating products that are more innovative and of higher quality. For this reason, we will establish shared systems and capabilities as soon as possible so that we can enhance added value and brand value even further. In preparation for the next medium-term management plan (beginning from April 2022), we will first strengthen collaboration between the *Wacoal* brand of Brand Group No. 1 and the *Wing* brand of Brand Group No. 2 and build a platform that unifies product development processes.

TABLE 1

Name	Operations (brands and categories covered by planning)	
Brand Group No. 1	Responsible for planning of <i>Wacoal</i> , <i>Salute</i> , and the prestige brand <i>Yue</i>	
Brand Group No. 2	Responsible for planning of <i>Wing</i> and non-innerwear categories, including nightwear (pajamas), products for children, maternity products, and men's innerwear	
Brand Group No. 3	Responsible for planning of <i>AMPHI</i>	

► For details on brand concepts and price ranges, please see page 47.

Reflecting Changing Physiques and Sensibilities

In July 2021, we formulated new brand strategies aimed at the creation of products that remain essential by catering to the rapid changes in and diversification of values and mindsets among individual customers that are accompanying the pandemic and the spread of digital technologies. Specifically, we have reformed existing brands and consolidated them into nine core brands with different brand concepts and price ranges based on a mission of continuing to establish deeper, broader, and longer relationships with customers while making day-to-day life healthier and richer for each customer. By putting into practice the Group Philosophy—which calls on us to create products loved by customers and develop new products that meet the needs of the times—we will continue to strengthen the market presence of the nine brands.

In heightening the value of our brands, we must emphasize values and stories that customers can relate to. For the *Wing* brand, which we renewed in spring 2021, we will broaden the price range and implement a strategy designed to make the brand a familiar, nearby presence for many consumers. Meanwhile, the time has come to rebuild a consistent brand story for the *Wacoal* brand given the extensive range of product categories it covers, including not only innerwear but also nightwear, maternity products, and products for children.

During the current fiscal year, we will hold high-paced but detailed discussions with the members of each brand group to firmly establish stories for respective brands. The entire Company will evolve cohesively by continuing to communicate the stories and purposes of brands in ways that reflect changing physiques and sensibilities.