

Strategies by Business: Wacoal's Initiatives Geared to Renewed Growth (1)

Reorganization

Enhancing Our Sales, Product Planning, and Marketing Functions in Pursuit of a Highly Resilient Organization
Able to Adapt to Changing Needs

With the aim of providing better solutions to changes in customers' purchasing behavior and to our distribution structure while realizing renewed growth and a highly profitable management structure, on April 2021 Wacoal unveiled a new organizational management system integrating the functions of sales, product planning, and marketing.

Aim of Business Restructuring

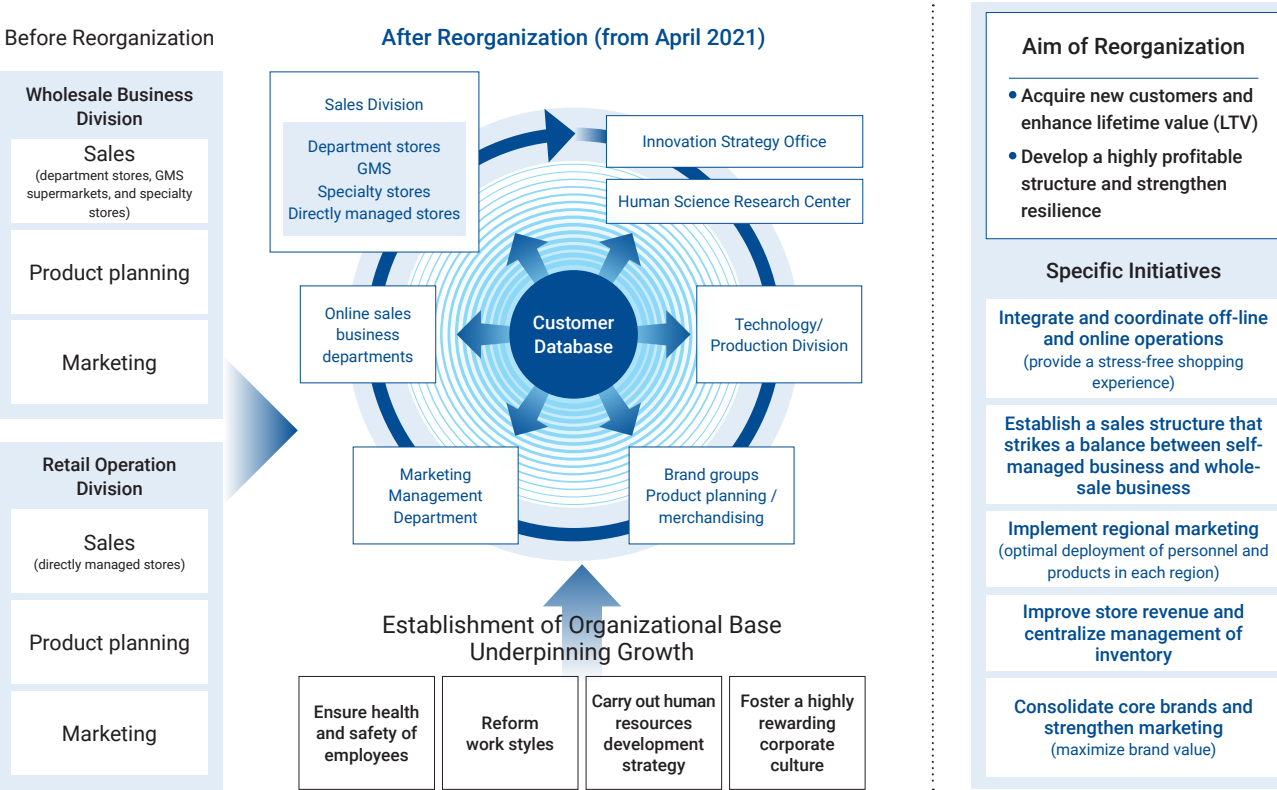
On April 2021, Wacoal reorganized its business structure with the aim of becoming a highly resilient organization that can flexibly adapt to diversifying customer values and consumption patterns as well as changes to our distribution structure and of moving on from its unprofitable business model. In light of the rapidly changing social environment, we will continue to develop and provide competitive products and services by constantly raising the standard of our manufacturing, personnel development, and organizational management. In so doing, we will realize sustainable growth and contribute to the betterment of society.

New Organizational Structure

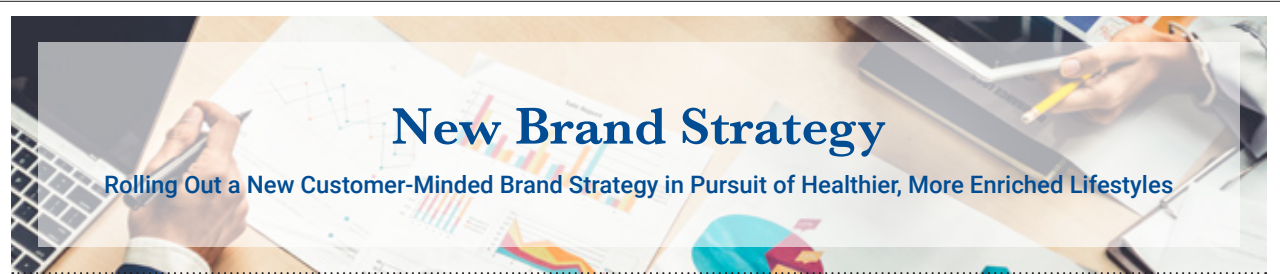
• Sales

In order to ensure that the right brands and products are in place given the characteristics of our customers and that our personnel can be redeployed in a flexible manner, the channel-based business structure that was in place until now has been replaced with a region-based structure that manages all channels under the direction of the Sales Division. We are seeing drastic changes to the power relationships of distribution structures due to the prevalence of telecommuting and the execution of large-scale urban development projects. Against this backdrop, the new organization will be based on regional marketing, which entails the placement of brands and products in accordance with the characteristics of the region

Overview of Reorganization



Strategies by Business: Wacoal's Initiatives Geared to Renewed Growth (2)



The proliferation of digital technology and COVID-19 has spurred changes in the values and purchasing behavior of customers. To adapt to such changes and to contribute to healthier and more enriched lifestyles for all, Wacoal rolled out a new brand strategy in autumn/winter 2021.

Backdrop to Execution of New Brand Strategy

Under the previous brand strategy, which was based on the needs of its respective sales channels, the Company rolled out approximately 60 brands (including sub-brands) by responding meticulously to the diversifying needs of customers since the year 2000. Today, consumers are making purchases both online and off-line while the competition with global SPA (specialty store retailer of private label apparel) brands continues to intensify. Having an excessive number of brands not only creates stress for consumers when selecting the right product but also results in inefficient business management, which is why we decided to proceed with substantial revisions to our brand structure by establishing nine core brands, consisting of 27 sub-brands.

Issues Regarding Previous Brand Strategy

- Difficult to select the right item due to multitude of brands and product types
- Existence of untapped customer base
- Existence of relatively unfamiliar brands
- Dispersion of brand investment

Our Course of Action for Core Innerwear Brands

Embracing our Group Philosophy of creating products loved by customers and developing new products that meet the needs of the times in all of our brands, we will continue to

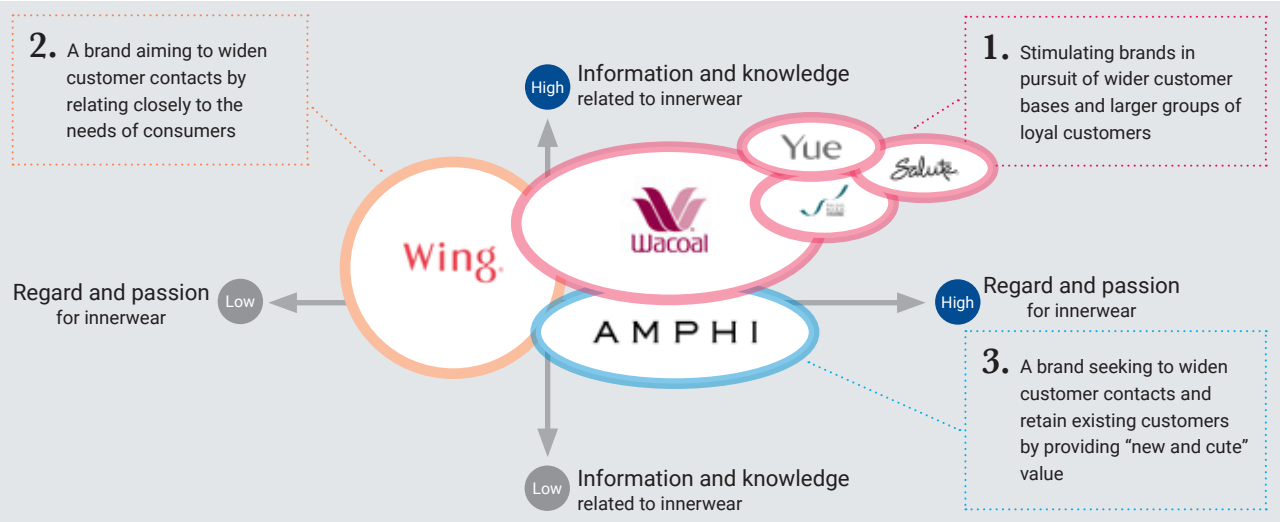
address the issues and needs of each individual customer. At the same time, we will evolve as a partner for both mind and body by continuing to convey the significance of our brands from a customer perspective. Moreover, the following brands will play a prominent role in acquiring new customers, retaining existing customers, and expanding our group of loyal customers, as outlined in our customer experience strategy.

Expanding Our Group of Loyal Customers

With Wacoal, WACOAL SIZE ORDER, Yue, and Salute, each of which evokes an emotional attachment and is uniquely designed in their own right, we will pursue their respective brand missions to secure the type of customers who want to be convinced that the product they have selected is the right one for them and to increase loyalty among existing customers.

Acquiring New Customers and Retaining Existing Customers

With Wing, the Company will keenly seek to widen its price range while expanding the product mix in order to continue to grow the brand and increase the number of contact points with customers who view innerwear as a daily necessity. As for AMPHI, we will look to expand the range of contact points with customers seeking cute looks and retain existing customers by rolling out products that offer trendy designs and simple features catering to a variety of tastes.



Our Nine Core Brands

Brand	Details
	Through the fusion of its exceptional functionality and design made possible by our strengths in research and technology, Wacoal has continued to deliver the value of "beauty" to women of all ages since its establishment in 1952.
	Established in 1975 and renewed in spring 2021 as a line of innerwear that harmoniously coexists with the body, Wing will continue to grow as a brand that closely relates to the needs of consumers.
	A new brand established in autumn/winter 2021, Yue offers the highest standards of comfort and refinement and identifies with the values of customers of the current generation while enriching their lifestyles.
	Established in 1979, Salute offers sexiness and appeal through its exceptional design and functionality that exposes the elegance of body lines.
	Reestablished as a brand in spring 2021, WACOAL SIZE ORDER provides customers with the perfectly sized brassiere from the roughly 3,000 sizes available.
	An innerwear brand that provides "new and cute" value, AMPHI offers trendy designs and simple features catering to a variety of tastes.
	A men's innerwear brand established through the accumulation of know-how in analyzing measurements and sewing technology through our development of women's innerwear, WACOAL MEN offers outstanding comfort and appearance.
	A sportswear brand developed by employing the technologies of the Human Science Research Center, CW-X is committed to aiding athletes of all levels.
	Established in 1974, Remamma is a brand of specially designed mastectomy bras and other innerwear and related products (including bra pads and swimwear).

Price Range of Major Products under Core Brands

