

Strategies by Business: The Wacoal Business (Overseas)  
A Message from the Director in Charge

While respecting the distinctiveness of Group companies,  
we will promote collaboration across organizational  
boundaries to realize a “Global Wacoal.”



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On My Appointment as the Corporate Officer  
in Charge of Group International Business

In April 2021, I was appointed as the corporate officer in charge of Group international business. Until fiscal 2021, I was responsible for our entire wholesale business in Japan. With the exception of that position, however, I have been deeply involved in overseas operations over the course of my career. In my capacity as head of Group Technology and Production, I was engaged in building production and procurement systems on a global basis. Also, I have worked as the head of businesses in China. My current role is to utilize the experience I have accumulated to connect each country and each base and lead the overseas business toward a new stage of growth.

Changes in Customers’ Values and Purchasing  
Behavior Due to the Pandemic

Consumer needs and purchasing behavior are changing globally because the COVID-19 pandemic has significantly altered

lifestyles. Particularly in the United States, Europe, and China, the share of consumption accounted for by e-commerce has been rising more rapidly than in Japan. In addition, with the increase in e-commerce purchases, demand is growing for apparel with simple and easy-to-understand sizes, such as small, medium, and large, as well as for basic products that offer greater comfort.

Given that customer needs are becoming more diverse than ever, to grow the overseas business we must build a system that can cater to all kinds of customers. For example, as part of our efforts to use digital technologies for the provision of optimal solutions, in the United States we are rolling out a smartphone app service that suggests suitable products based on analysis of customers’ physiques.

Meanwhile, with respect to the high-end products that are Wacoal’s forte, many customers still prefer to actually try on products in-store and then decide whether to make a purchase. Therefore, while growing e-commerce, we will not allow any decline in the value provided by brick-and-mortar stores. As an important role of these stores is to foster a sense of security, trust, and empathy in relation to Wacoal through

face-to-face communication, we intend to keep a certain number of brick-and-mortar stores. We will steadily integrate online and off-line operations to build deeper, broader, and longer relationships with customers globally.

Global Strategy for Further Growth

In fiscal 2022, the year ending March 31, 2022, the main focus of our growth strategies in the United States, Europe, China, and Asia is on strengthening the e-commerce business while advancing customer experience strategies.

Wacoal America, Inc. aims to have e-commerce sales account for more than 60% of its net sales by fiscal 2025. In particular, the operating company will concentrate on expanding its in-house e-commerce business. Also, we have extended the time frame for moving Intimates Online, Inc. into the black by approximately one year to fiscal 2023 so that we can give priority to pursuing our growth strategy for the operating company, which we acquired in 2019. In fiscal 2021, despite the pandemic, Intimates Online achieved strong growth. By bolstering brand power and marketing, we will continue to increase the number of the operating company’s ambassadors and customers, laying the foundations for dramatic progress from fiscal 2023 onward. In conjunction with these efforts, we are moving forward with a project tasked with enhancing management efficiency through the cross-divisional sharing of expertise between Intimates Online and Wacoal America. Amid the growth of the e-commerce business, we are consolidating the logistics functions of both operating companies to enhance delivery efficiency. Going forward, we will implement similar initiatives in manufacturing operations, thereby driving the growth of the U.S. business as a whole.

As for businesses in Europe, we will further develop the German market, where sales remain relatively small, while growing sales of the in-house e-commerce business, which was established in September 2019. Also, we will introduce the 3D body scanners developed in Japan to directly managed stores and advance our customer experience strategy. The advantage of the 3D body scanners is that, by linking the results of physique analysis with optimal product suggestions, we deliver a new customer experience. We expect 3D body scanners to become a very important tool. They will not only be useful in acquiring new customers but will deepen the relationships customers form with the Wacoal Group by encouraging them to have an ongoing awareness of their physiques and, as a consequence, heightening their interest in underwear.

Our businesses in China will acquire new customers to continue expanding the e-commerce business and increase sales per brick-and-mortar store. Accompanying the growing share of underwear purchases accounted for by e-commerce in the country, demand has become particularly strong for basic products in terms of color, size, and design. As a result, new manufacturers of low-end products are topping the sales

rankings in the country’s e-commerce market. In China, we have traditionally offered midrange to high-end products, but we see this shift in the market as an excellent opportunity to roll out reasonably priced products for the e-commerce market and create sales synergies with our brick-and-mortar stores.

In Asian countries other than Japan and China, as the e-commerce business has been slow to emerge, the pandemic led to a steep decrease in sales. To rectify this comparative lag in the expansion of our e-commerce in the region, we have developed a common e-commerce platform that is usable in each country, and the platform began hosting a Malaysian e-commerce service in March 2021. By steadily enabling use of the platform in the Philippines, Singapore, and other countries, we will develop a full-scale e-commerce business throughout Asia. Further, we are planning to develop a lineup of common products for Asia that caters to the growing need for comfortable products.

Customer-Driven Brand Communication and a “Global Wacoal”

Even though the values and behavior of consumers and customers are changing markedly, our goal of realizing a “Global Wacoal” together with the goal of achieving overseas net sales of ¥150.0 billion by fiscal 2028 is unchanged. To achieve these goals, ensuring that customers encounter the same quality and a consistent brand image worldwide is paramount. Accordingly, to raise the value of *Wacoal* as a global brand, we have launched a project that is tasked with standardizing both the appearance of *Wacoal* sales areas as well as the message conveyed to customers around the world. We will strengthen customer-driven brand communication so that customers immediately recognize *Wacoal* no matter which country they are in.

I am often struck by the strong attachment that our personnel worldwide have to the Company and its brand. Based on our shared commitment to making customers happy and making the Company better, I will collaborate with such personnel to clarify what each country should do on its own and what we should do in a uniform manner worldwide. Through this process, we will realize a truly “Global Wacoal.”