

## Initiatives to Reinforce Human Capital

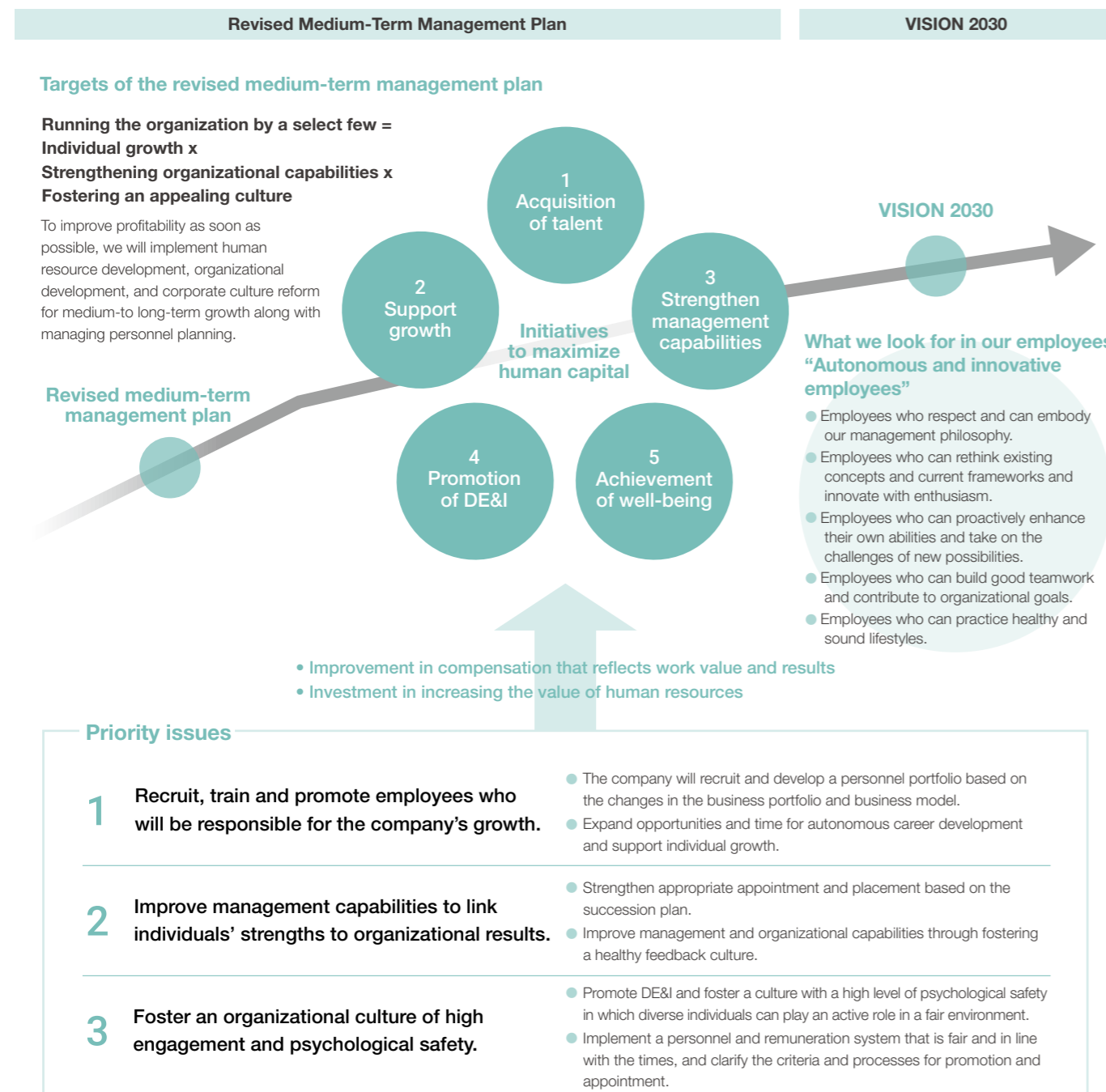
Consistent with its founding principle of mutual trust, the Wacoal Group manages employees' health and safety, trains personnel, and is receptive to diversity in human resources and values in each workplace, thereby deepening mutual trust with employees and developing workplace systems conducive to the creation of environments where the talents of individual employees can be fully realized.

We have built value chains that comprise proprietary networks, which span all stages from fundamental research, product planning, and development through to materials procurement, production, and sales. In these value chains, human resources are the Group's most important management resource. For this reason, we believe that creating an appealing corporate culture that is employee friendly and offers job satisfaction will lead to sustained growth.

### Wacoal Corp.'s Human Capital Strategy

(Basic policy)

Further promote career autonomy and foster a corporate culture that allows employees to feel fulfillment in their work, and aim to become "a company that shares its success with all employees" by bringing out the individuality and strengths of each employee



### Interview

#### Empowering individual employees and reforming culture to create a rewarding place in which employees can use their individuality and strengths



**Shinsuke Fukazawa**  
 Corporate Officer Head of HR Dept. of Wacoal Corp.

In the revised medium-term management plan, we defined the value the company provides as "empowering customers' ability to be themselves." In order to support the "beauty, comfort, and health of each individual customer" as needs grow more diverse, it is necessary to empower employees who possess diverse values and individuality, draw out the capabilities of each employee as much as possible, and transform that into the power of the organization. Therefore, we will build a system that generates growth through business model reform and growth strategy, and increase investments in human capital that is responsible for sustainable growth.

As for acquiring talent and developing human resources, we plan to not only reinforce measures so that individual employees can acquire the skills they need to grow but also aggressively invest in acquiring talent.

To implement structural reform and growth strategy, it is necessary to make decisions that optimize the whole company and change our perceptions so that each employee sees this as theirs and can act autonomously. Therefore, we will not only expand the responsibility and authority of the heads of departments and section chiefs and accelerate decision-making and actions by revising the organizational structure but also make changes so that we can offer flexible compensation that reflects work value and results. We will link these activities to improved organizational results. Furthermore, we will foster an organizational culture that makes it possible for each individual to use their strengths within an environment that offers high psychological safety, which includes creating opportunities to learn about unconscious bias, in order to maximize the use of human resource diversity.

## Initiatives to Maximize Human Capital

### 1 Acquisition of talent

The Group believes that valuing a culture of boldness and daring to take on challenges, and diversity that creates new value by bringing in new ideas, is the source of our competitiveness, and we are focusing on recruitment of new graduates as well as lateral hires (including recent graduates and career recruits). At Wacoal Corp., we plan to continue to use lateral hires for approximately 30% to 50% of the total number of career-track positions, including management candidates, global, EC and DX specialists and other personnel.

### Hiring Status at Wacoal Corp. (career-track positions)

Question		Fiscal Year ended March 2020	Fiscal Year ended March 2021	Fiscal Year ended March 2022	Fiscal Year ended March 2023
Lateral hires (people)	Male	2	4	1	4
	Female	6	6	1	6
	Total	8	10	2	10
New graduates (people)	Male	10	13	7	6
	Female	13	16	16	10
	Total	23	29	23	16
Lateral hire ratio		26%	26%	8%	38%

### 2 Support growth (human resource development, reskilling, career development)

Aiming to transform into a company where individuality and strengths of each employee are fully realized, the Group provides various training programs to support the growth of each employee by providing learning opportunities and career advancement support.

#### Human Resources Development

At Wacoal Corp., we believe that our development as a company is dependent upon efforts to enhance the qualifications of each employee and his/her support. Based on this belief and with the aim of fostering personnel who can put our management philosophy into practice, we support career and personal development by providing training programs that support the development of employees' careers and professional skills, as well as self-development support programs to promote employees' self-study.

New Personnel Development System details  
<https://www.wacoalholdings.jp/en/sustainability/resource/development/>

#### Reskilling

At Wacoal Corp., we are working to develop human resources through reskilling (relearning) to ensure that our employees have the skills necessary for business growth and new business. During the fiscal year ending March 31, 2024, we have launched the operation of an online learning tool as a part of initiatives to raise the level of IT literacy to improve labor productivity of office work.

#### Career Development

At Wacoal Corp., we are working to develop human resources capable of generating innovation by expanding the "Internal Job Challenge" program, which allows employees to personally request transfers, and "Outside Career Challenge" program, which allows employees to gain experiences that are not available within the company through secondment to companies and organizations outside the Group, to increase opportunities for employees to develop their careers on their own initiative.

### TOPICS

#### Meet My Career Program

Wacoal Corp. has introduced the "Meet My Career Program," which aims to have employees develop their career independently and actively by expanding the diverse systems and structures for career development and to enhance job satisfaction and revitalize organizations by promoting career autonomy. Through this program, in addition to conventional self-assessment, career interviews, training/self-development, and transfers, we systematically provide opportunities for employees to proactively develop possibilities and their careers, such as job challenges and internal recruitment, outside career challenges, long-term leave, and side-work. With this, we aim to accelerate the realization of diverse career development for people by encouraging employees to actively implement a variety of ways to work, and at the same time, by providing employees with opportunities to acquire new skills, and refine them.



Meet My First Career, a fiscal 2024 event for matching new career-track recruits and departments where they might work

### 3 Strengthen management capabilities

Profitability has been declining at Wacoal Corp., our core operating company, due to sluggish sales and a cost structure with a high fixed cost ratio. We will implement the business strategies set forth in our revised medium-term management plan to return to top line growth and improve profitability. In order to enhance management effectiveness, it is an extremely important issue to strengthen management capabilities to make accurate and fast decision-makings and contribute to organizational achievements. We will, once again, work to cultivate, develop and appoint management human resources based on the succession plan. We also recognize that it is essential to foster a healthy feedback culture from the perspective of strengthening organizational capabilities. We will promote efforts to secure and develop management human resources who can realize our vision, implement our strategies, and motivate members to link individuals' strengths to organizational results.

#### Development of Management Personnel

During the period of the revised medium-term management plan, we plan to provide new trainings for the senior management as part of measures to disseminate the Group's management philosophy, and for all management positions, to promote diversity as a source of innovation and to acquire basic knowledge of psychological safety, which is a foundation of organizational development, and unconscious bias.

#### Review of Evaluation System

At Wacoal Corp., while increasing the diversity of human resources, we are building a more productive organization with a small number of highly skilled employees. In addition, we are reviewing, as needed, our systems and operations for "fair evaluation and treatment" and "appointment of leaders who can continue to enhance the attractiveness of an organization" which form the basis for such efforts. By fostering a culture of feedback and enhancing the level of acceptance of evaluation results, we aim to strengthen our organizational capabilities.

### 4 Promotion of DE&I

The Group is building a sound corporate culture and a strong management structure by pursuing a system that enhances the job satisfaction of each employee, while at the same time by ensuring the quantitative and qualitative appropriateness of human resources. Under the management philosophy of "mutual trust," we aim to create a work environment that is receptive to diverse human resources and values, deepens relationships of mutual trust and that allows each employee to perform to the best of their ability. We will continue to expand the diverse career paths and work options, and will implement initiatives related to human resources that will allow us to take advantage of the diversity of employees in organizational decision-making for a rapidly changing market, such as by promoting an introduction of a new personnel evaluation system.

#### Empowerment of Women

As many of our employees at Wacoal Corp. and customers are female, Wacoal Corp. considers the empowerment of women's involvement and activities as an important management goal in order to reflect more diverse viewpoints in its management decision-making. Therefore, Wacoal Corp. has established a workplace environment that is appropriate and in line with women's unique life stages, promotes more flexible work styles, and has instituted a system for promotion and advancement based on ability and performance, regardless of gender or age. In February 2021, Wacoal Corp. received the "Eruboshi Certification" from the Ministry of Health, Labour and Welfare of Japan, having been recognized as a company that has made effective efforts to advance women's participation.

#### Promotion of Women in Managerial Position

Wacoal Corp. has formulated a general employer action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life, under which we aim to increase the percentage of women in managerial position (section manager and higher level) to 30% or higher by the end of fiscal year ending March 31, 2025. The percentage of women in managerial position (section manager and higher level) as of April 1, 2023 was 29%.

We will continue to identify human resources with a high aptitude for leadership from an early stage, regardless of gender, and further promote the provision of training opportunities to candidates for managerial positions. We will also develop talents capable of being in charge of managerial and executive positions by supporting the autonomous growth of employees, encouraging them to gain experience in a variety of businesses and positions, and continuously working to foster career awareness.

#### Differences in Wages between Male and Female Employees

The differences in wages between male and female employees, one of the indicators for empowerment of women, at Wacoal Corp. is 52.9% (full-time employees 53.9%, part-time and fixed-term employees 58.1%, career-track positions 79.2% and management positions 91.2%). At Wacoal Corp., there is no wage differential between male and female employees in the same role. For this reason, the difference is due to (i) the ratio of men in the managerial positions making up approximately 70% of all managerial positions, (ii) the ratio of female employees in career-track positions, especially in the hiring of new graduates, having been increasing year by year, resulting in a high ratio of female employees among employees who have been with the company for 10 years or less (10 years or less since joining the company: 110 employees, 51.9%; over 10 years since joining the company: 71 employees, 15.9%), and (iii) the fact that a higher proportion of employees in sales related job groups compared to career-track positions.

We will increase the ratio of women in new graduates and lateral hires in career-track positions, promote women based on their abilities regardless of age and gender, and also increase the ratio of women in the managerial positions and executive positions in order to close the differences in wages between male and female employees.

#### Differences in wages between male and female employees in current fiscal year (%)\*

Name of Company	All Employees	Of which, are full-time employee status by position				Of which, are part-time/ fixed-term contract employees
		All Full-time Employees	Management	Career-track	Sales	
Wacoal Corp.	52.9	53.9	91.2	79.2	*	58.1

- The figures shown have been calculated pursuant to the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)
- Part-time/fixed-term contract employees include contract employees and post-retirement rehires.
- An asterisk "\*" indicates that comparison cannot be made due to the absence of applicable male employees.

#### Promotion of Foreign Nationals to Managerial Positions

The Group, as a corporate group operating in countries and regions around the world, appoints local personnel to the positions of representative (president) and key managerial positions in each of our overseas entities, including the U.S., Europe and China. We will continue to hire diverse local human resources regardless of nationality and promote them to key managerial positions in order to expand our business from the customer's point of view and strengthen our competitive advantage in the overseas markets.

#### Employment of People with Disabilities

The Group is improving the working environment and providing work support by conducting training so that everyone is able to work proactively, and we also conduct individual interviews to listen to worker opinions. In February 2018, Wacoal I Next Corp. was founded to promote the employment of people with disabilities and to create opportunities for their active participation. In December 2018, the company was certified as a special subsidiary under the Employment Promotion Act for Persons with Disabilities.

#### Work-Life Balance

Wacoal Corp. is developing workplace environments that enable employees to lead fulfilling lives and to make the best use of their skills. For example, as part of our initiatives to help employees meet work and child-rearing commitments, we are establishing programs and norms with a view to creating environments that are convenient and fulfilling to work in not only for employees with child-rearing commitments but also for coworkers who support them. Further, as a result of preparing an action plan based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children and taking measures to implement the plan, in 2018 we received "Kurumin" certification for the third time and "Platinum Kurumin" certification. We plan to create a system that allows employees to be flexible in the way they use their time so that they can increase the diversity of their individual experiences and skills and create innovation at work, by actively having connection not only with work and family, but also with society.

### 5 Achievement of well-being

In order to achieve "to evolve and grow as 'Wacoal Group of the World' by providing both physical and emotional beauty and richness to individuals through high sensitivity and premium quality" as addressed under our medium to long-term strategy framework "VISION 2030", it is essential to increase the satisfaction of our employees, who are key stakeholders, and to improve the productivity of the organization as a whole.

At Wacoal Corp., we believe that improving the job satisfaction and happiness of each employee is the driving force to achieve high productivity, and we will implement initiatives to achieve well-being to improve employee engagement.


#### Promotion of Diverse Working Styles

We are promoting initiatives at Wacoal Corp. that seek to raise awareness and change behavior on how to increase working productivity through a combination of proactive use of remote work tailored to each department, promotion of flexible hours, and operation of a limited work location system. While promoting organizational reforms which emphasize on performance and achievements, we are focusing on creating a corporate culture that respects each individual as a business partner by recognizing diverse opinions and values. While remote work has been adopted rapidly as a measure to prevent the spread of COVID-19, we will continue to utilize remote work tailored to the characteristics of each department as "a work style to maximize the achievements and performance" even after the downgrade of COVID-19 to a Class 5 disease (common infectious disease). In addition, we continue to promote reforms in the way we work, such as starting a "super flexible time" system from April 2023.

#### Health Management

Viewing the health of employees as an important asset for sustained growth, Wacoal Corp strategically promotes the health management by working together with the health insurance society and labor union as a trinity. Our goal under the newly formulated Wacoal GENKI Project 2025 for promoting health management is to improve the physical and mental well-being of employees, leading to increased productivity and improved employee engagement. We will continue to promote health maintenance through the ongoing implementation of various countermeasures to address lifestyle diseases, cancer, and mental health while further developing a working environment that enables employees to make self-initiated efforts to improve their health, thereby encouraging changes in behavior and attitudes toward the subject of health improvement itself. We are also stepping up our efforts to address health issues that are specific to women. Furthermore, Wacoal Holdings Corp. has been selected as an Excellent Enterprise of Health & Productivity Management (White 500) for seven years in a row since 2017.

## Targets and Goals

Human Capital Issues based on Management Strategies	Initiatives to Maximize Human Capital	Targets and Goals (KPI)	
		Targets	Goals
Recruit, train and promote employees who will be responsible for the company's growth	1 Acquisition of talent 2 Support growth (human resource development, reskilling, career development)	Status of lateral hires (career-track positions)	Achieve lateral hires of 30% - 50% in total hires of career-track positions
		Investment costs in development and training human resources Number of participants in programs and hours invested in learning (as to working hours)	To formulate during fiscal year ending March 31, 2024
	Number and percentage of employees reassignment through internal recruitment and Job Challenge	To formulate during fiscal year ending March 31, 2024	
Improving management capabilities to connect individuals' strengths to organizational results	3 Strengthen management capabilities	Degree of achievement of proactive career development	To obtain 60% or higher positive responses for questions related to career achievement in engagement survey
		Contribution of management that leads to sustainable growth	To obtain 60% or higher positive responses for questions related to potentials and future prospects in engagement survey
Foster an organizational culture of high engagement and psychological safety	4 Promotion of DE&I 5 Achievement of wellbeing	Foster a feedback culture	To obtain 60% or higher positive responses for questions related to approval and praise, fair evaluation in engagement survey
		KPI achievements under Wacoal GENKI project 2025	 <a href="https://www.wacoalholdings.jp/en/sustainability/resource/wellbeing/">https://www.wacoalholdings.jp/en/sustainability/resource/wellbeing/</a>
		Employment of people with disabilities	Statutory employment rate of 2.5% for fiscal 2025