

Engagement (Establishing Mutual Trust Through Dialogues)

We consider constructive dialogue regarding improving corporate value important for strengthening mutual trust with all stakeholders. Therefore, in order to link medium- to long-term improvement in corporate value and the construction of a highly effective management system, we actively undertake engagement activities that target stakeholders, including shareholders and investors, and reflect their valuable opinions in our management strategy.


Basic Policy on Dialogue with Shareholders and Other Stakeholders

As it is our opinion that actively holding constructive dialogue with shareholders and investors and reflecting the results of that dialogue in management leads to medium- to long-term improvements in corporate value and sustainable growth, we set policies related to these activities.

 Policy for dialogue with Shareholders / Investors
https://www.wacoalholdings.jp/en/sustainability/talk_with_stockholder/

Basic Policy on Information Disclosure

We see timely disclosure of accurate information as the foundation of mutual trust in relationships with all stakeholders. We are also keenly aware that disclosure is essential for accurate assessments of our corporate value. We actively disclose information while complying with all related regulatory requirements.

 Basic Policy on Information Disclosure
<https://www.wacoalholdings.jp/en/ir/management/disclosure/>

Stakeholder Relations

At the Wacoal Group, we define corporate value as the integration of all value gained by customers, employees, shareholders, investors, and other stakeholders. Through our communication with all stakeholders, we strive to maintain solid relationships and build deep mutual trust. Moreover, the details of our investor relations and ESG (environmental, social, and governance) activities are communicated through the efforts of the Corporate Communications Department.

Communication Activities for Analysts and Institutional Investors (Results)

Activity	FY2021	FY2022	FY2023
Individual meetings with institutional investors and analysts	126 times	131 times	128 times
Results briefings (for analysts and institutional investors)	4 times	4 times	4 times
Business briefings (for analysts and institutional investors)	3 times	3 times	Twice
Factory tours (for analysts and institutional investors)	—	—	—
Conferences organized by securities companies	Once	Twice	Once
Overseas road shows	—	—	—
Briefings for individual investors	Once	Once	Once
Individual meetings with external directors (for analysts and institutional investors)	4 times	—	10 times

Activity	FY2021	FY2022	FY2023
Feedback on IR activities (for directors)	Quarterly	Quarterly	Quarterly
Briefings (for employees)	Held briefings on integrated report for management personnel	Held of sustainability seminars for employees (320 participants)	Held briefings on integrated report for employees (389 participants)

FY2024 IR Activities

During fiscal 2024, we will hold quarterly results briefings, normal IR meetings, investor meetings by Representative Director, President and CEO Masaaki Yajima (15 times), and small meetings on the revised medium-term management plan that Wacoal HD and Wacoal Corp. executives participated in. We also plan to hold small meetings that external directors will participate in at the end of fiscal 2024.

Follow-up meetings regarding the revised medium-term management plan (small meetings)



Date : December 5, 2023
 Location : Tokyo
 Attendees : Masaaki Yajima, Representative Director, President and CEO; Akira Miyagi, Representative Director, Vice President and Executive Officer and CFO; Keisuke Kawanishi, Representative Director, President and CEO Wacoal Corp.; Mitsuru Sekiguchi, Director Corporate Officer Head of Product Development and Merchandising Div.; Katsuya Hirooka, Director Corporate Officer In charge of Administrative Control; Atsuko Shinoduka, Director Corporate Officer Head of Marketing Div.
 Participants : 11 participants from 10 companies

Investor's opinions of the revised medium-term management plan

At a time when the Wacoal continues to be unable to achieve its plans, it is encouraging to hear the new senior management team apologize for past management. I highly rate its plans to temporarily put aside consideration of performance and put the Company on a growth path by increasing brand power, customer loyalty, and workforce capabilities following firm cost structure reform. (Person in charge of exercising voting rights)

I think that it is important to gain the understanding of employees and spread that understanding in order to implement the revised medium-term management plan. Wacoal employees who are unaccustomed to change may have a negative view of the details of the revised medium-term management plan, even though they were thoroughly examined. I hope that progress in implementing the plan is properly shared with employees. I do not think that employees will consider the strategy as something that involves them unless a healthy sense of crisis continues to be fostered. (Fund manager)

The elimination of mass retailer discounts will probably have a major impact on the Japanese business's stagnant sales, but selling the proper volume at the proper price is good for both sellers and buyers and is how it should be. I would like Wacoal to uncompromisingly move forward because ensuring profit through an appropriate profit structure, not volume of sales, is important. (Sell-side analyst)

I am concerned that if the integration of brands and product numbers is undertaken only from a quantitative perspective, such as ABC analysis, there will be insufficient product numbers required by customers. The company should promote business focus and selection by also giving consideration to aspects other than quantity, such as customer opinions and value provided. Furthermore, it would be best to establish a system that supports such activities as product planning by delegating decision-making to the frontline, which is closer to customers, and leveraging the knowledge of logistics and marketing possessed by members of management and the senior management team. (Fund manager)

In-house briefings and townhall meetings regarding revised medium-term management plan



Date : Revised medium-term management plan briefings: November 20, 21, and 22, 2023 at five locations
 Townhall meetings
 Plan to hold ten meetings between the end of November 2023 and March 2024
 Location : Kyoto, Tokyo, online
 Attendees : Masaaki Yajima, Representative Director, President and CEO; Akira Miyagi, Representative Director, Vice President and Executive Officer and CFO; Keisuke Kawanishi, Representative Director, President and CEO Wacoal Corp.; Mitsuru Sekiguchi, Director Corporate Officer Head of Product Development and Merchandising Div.; Katsuya Hirooka, Director Corporate Officer In charge of Administrative Control; Atsuko Shinoduka, Director Corporate Officer Head of Marketing Div.
 * Participants depend on day of the meeting
 Participants : Revised medium-term management plan briefings: about 1,400 participants; Townhall meetings: about 200 participants (expected)

Employee opinion of revised medium-term management plan

Because I learned about the company's plans from the revised medium-term management plan, I thought that I would give the department general manager my opinion regarding how the department should move forward. (Employee in their fifties)

It is irritating that although there are visible problems on the frontline, it has been impossible to undertake major company-wide optimization because there is a focus on optimization of the organization and its parts. I would like to see opportunities for communication because I want to work with the senior management team to solve problems. (Employee in their thirties)

I think that it is only natural to "set out company-wide policies, and then have each department break down the policies based on a common understanding and incorporate those ideas into its strategy and operations," but I was surprised that department general managers and section chiefs commented that "plans lack concrete details" and questioned "how department operations should be organized." I think that they do not understand the meaning of possessing authority. (Employee in their twenties)

I would like management to talk about such issues as the overall direction, bolstering employee motivation, and an atmosphere in which people move forward with unity. Although I understand that traditionally detailed decisions should be left up to departments, I was disappointed that at the briefing, the responses to many of the detailed questions were vague. (Employee in their thirties)

It is good that following the briefings, there were townhall meetings at which participants could directly talk with the executive management team. This provided an opportunity to consider the role of one's own department as seen from the overall company and based on the stated policy. (Employee in their thirties)

Although there are quite high psychological hurdles to general employees talking with executives, the opportunity to communicate intentions and thoughts through direct discussions changed the impression of the revised medium-term management plan to positive from negative. I think it is important that both sides come together and understand each other. (Employee in their fifties)