

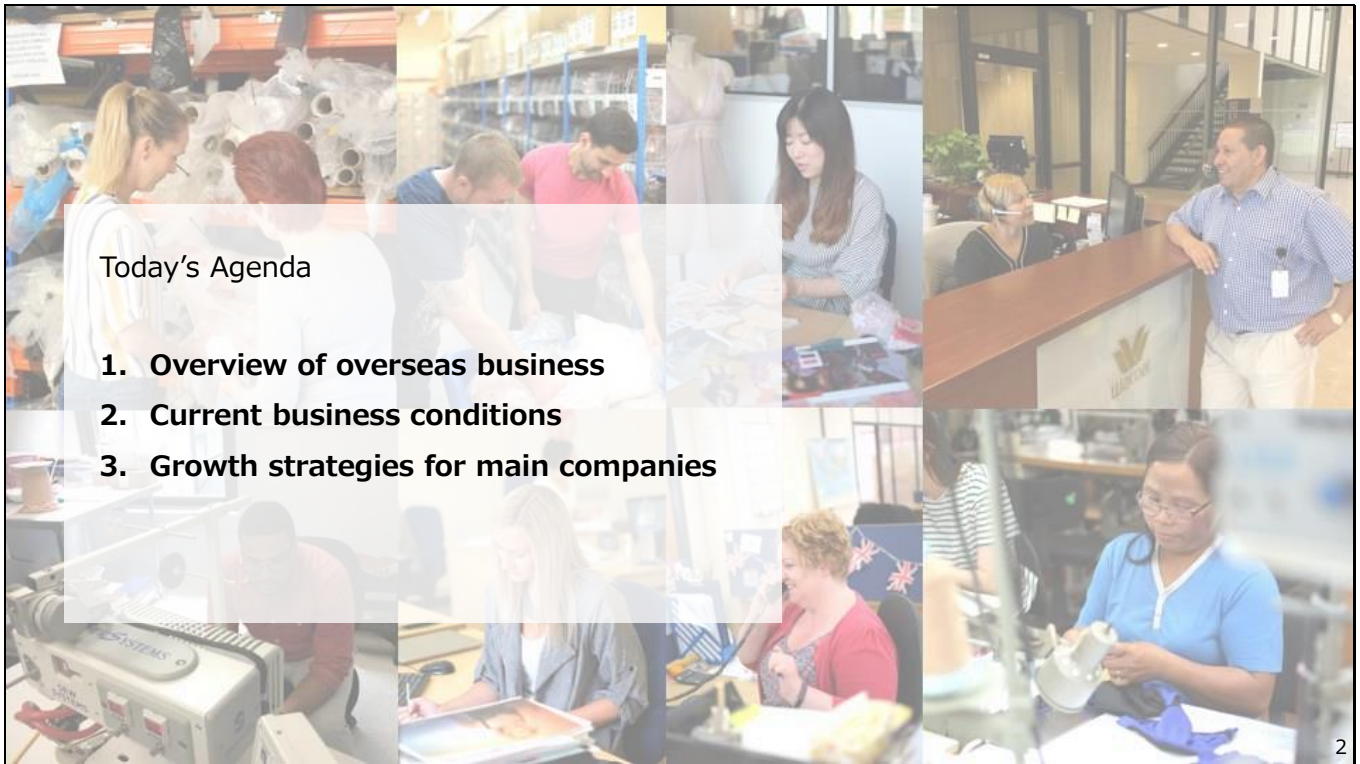


[Speaker]

Masaaki Yajima

Corporate Officer in charge of Group International Business;

Director and Corporate Officer and General Manager of Global Division of Wacoal Corp.



Today's Agenda

1. **Overview of overseas business**
2. **Current business conditions**
3. **Growth strategies for main companies**

Yajima: Hello everyone. My name is Yajima. I used to be located in Hong Kong and China for 12 years. I may have met some of you when I held a briefing session for investors in Beijing. Thank you for your time and presence today.

Let's start by looking at page two. This will be today's agenda. First, I would like to give an overview of our overseas business, including our history, business model, and performance characteristics. Then, followed by a presentation on current business conditions and growth strategies of major companies.

The specific target figures will be explained at the announcement of the new medium-term management plan scheduled to be held in June. Today, we would like to deepen your understanding of our overseas business and explain the direction we are aiming to take over the medium- and long-term, as well as the initiatives we are taking to achieve this goal.

Also, representatives in the US and China are joining this briefing. In our daily dialogue with our customers, we hear from IR that there are many questions about the business environment in both countries. If you have questions, please ask us directly during the question-and-answer session.

Founder Koichi Tsukamoto

Based on the "One Phase Every Ten Years 50-Year Plan" established after the first trip to Europe and the US, Wacoal expanded overseas in 1970 (joint ventures were established in S. Korea, Thailand, and Taiwan)



First visit to Europe and the US (1956)

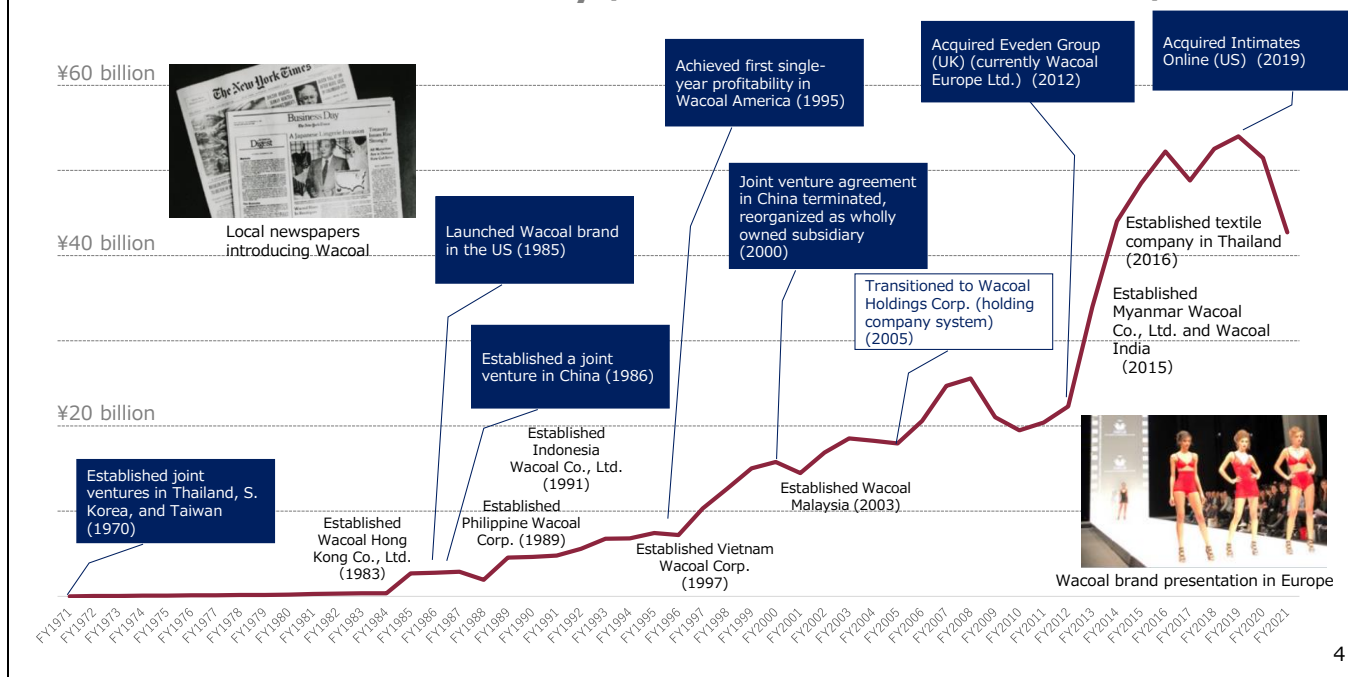
Our Vision

We, the employees and management of Wacoal, will maintain a refined corporate culture based on mutual trust and will continually strive to make **the Company a global leader** in the industry.

Please see page three. First, let me explain the history of our overseas business. In the early 1950s, shortly after the Company's founding, the founder Koichi Tsukamoto envisioned global expansion with the aim of becoming the Wacoal of the world, and in 1956 he made his first trip to Europe and the US.

After his overseas inspection, he set up a 50-year management strategy on a huge scale, which he called the "Ten-Year, One-Section, Fifty-Year Plan," and in line with this strategy, he made inroads into Thailand, Korea, and Taiwan in 1970. The slide shows our company motto. We define the Wacoal of the world as the Wacoal Group's products and services, or its efforts to address social issues, that are highly trusted by stakeholders in markets around the world.

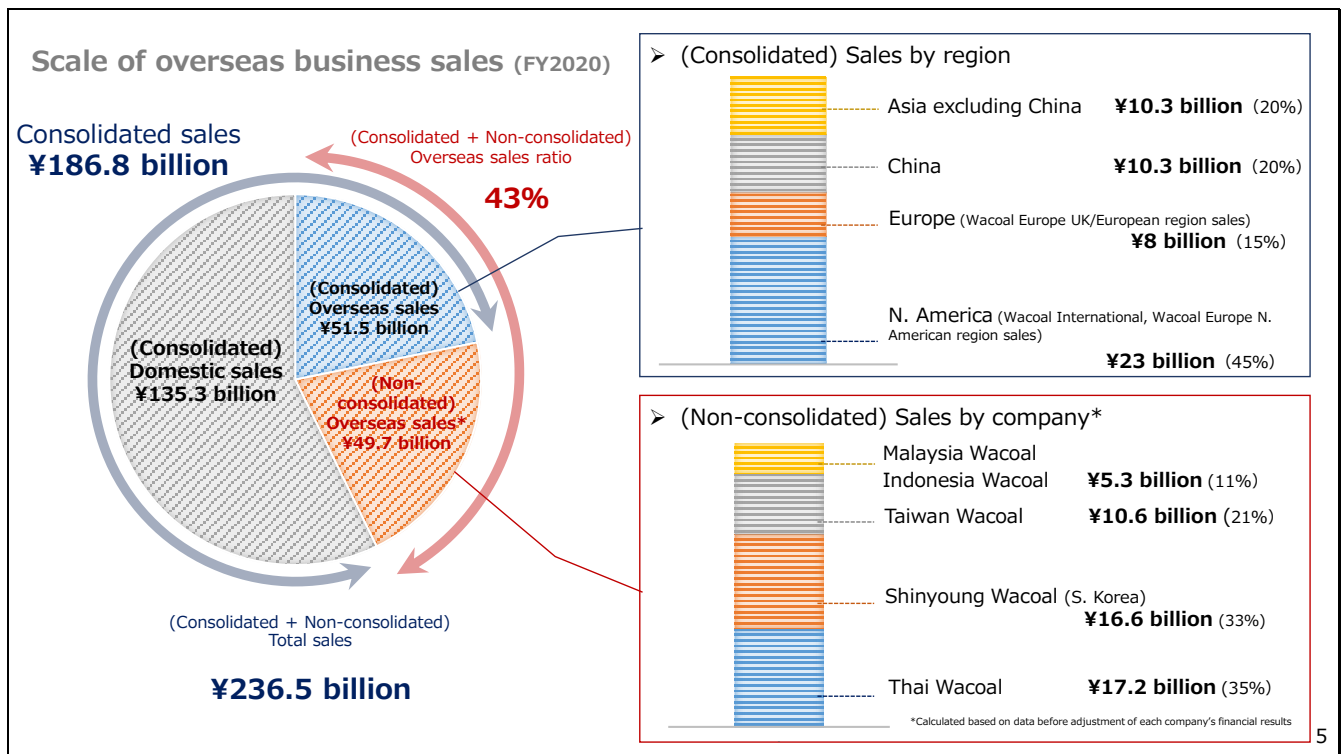
Overseas business history (sales trends of overseas businesses)



Please see page four. The slide shows the changes in sales of overseas business since 1970. Initially, the Company entered the Asian market as a joint venture, so sales in the overseas business didn't grow until the 1980s, when it expanded into the US and other countries.

In the US, we have been accumulating know-how one by one through repeated trial and error since 1985 and achieved our first single-year profitability in 1995. Since then, the Company has grown steadily, gaining the number one share of the department store market in 2005 and launching EC in 2010.

In addition to growth in US and China, the acquisition of the Eveden Group in 2012, the predecessor of Wacoal Europe, accelerated growth in Europe, and by FY2016, overseas business sales had grown to exceed JPY50 billion.
















Please see page five. This section summarizes the sales scale of our overseas business. The consolidated net sales do not include the net sales of joint ventures in Thailand, Taiwan, Korea, etc. Today, I will explain the sales scale of the entire Wacoal Group as a reference figure.

In FY2021, sales in each country temporarily dropped significantly due to the coronavirus, so the figures shown here are the ones from FY2020, which was less affected by the pandemic.

Overseas sales on the consolidated basis for FY2020 were JPY51.5 billion. The sales scale by region is JPY23 billion in the US, JPY8 billion in Europe, and JPY20 billion in Asia including China. As for the scale of non-consolidated sales, Thailand, South Korea, and Taiwan each have a sales scale of over JPY10 billion.

The Group's overseas sales, including those of unconsolidated joint ventures, are now in excess of JPY100 billion, accounting for more than 40% of total sales. I have not had many opportunities to explain about unconsolidated joint ventures, so today I took this opportunity to explain for your reference.

Business model: build a vertically integrated model in each region to meet local needs

	Product planning and design	Production	Available brands	Marketing	Sales style (Main channel/EC ratio)
Wacoal America	Planning and design by our own designers	Mainly produced by our own factories (Dominican Republic) *Some products are purchased from outside	Focused on the Wacoal brand  	Independent planning *Production outsourced	<ul style="list-style-type: none"> • No dispatch of sales associates • Sales channels: Dept. store (store, EC) 3rd party EC, own EC, directly managed stores (2 stores) • EC ratio 43% (Cumulative 3Q FY2022)
Intimates Online	Planning and design by our own designers is outsourced	Outsourced	LIVELY brand offerings 	Independent planning *Production outsourced Developing unique marketing using ambassadors	<ul style="list-style-type: none"> • Sales mainly via own EC • Sales channels: Own EC, directly managed stores (4 stores) wholesale to some clients • EC ratio 82% (Cumulative 3Q FY2022)
Wacoal Europe	Planning and design by our own designers	Mainly produced by our own factories (Sri Lanka) *Some products are purchased from outside	Building brand portfolios based on country characteristics and distribution channels (multiple brands)     	Independent planning *Production outsourced	<ul style="list-style-type: none"> • No dispatch of sales associates • Sales channels: specialty store, dept. store 3rd party EC, own EC, directly managed stores (14 stores) • EC ratio 25% (Cumulative 3Q FY2022)
Wacoal China	Planning and design by our own designers	Mainly produced by our own factories (China) *Some products are purchased from outside	Focused on the Wacoal Brand    	Independent planning *Production outsourced	<ul style="list-style-type: none"> • Dispatch sales associates to dept. stores, etc. • Sales channels: Dept. store, directly managed store, 3rd party EC, own EC • EC ratio 22% (Cumulative 3Q FY2022)
Other Asian Subsidiaries (excl. factories)	Sales of innerwear products supplied by the Group (Singapore, Hong Kong, Philippines)		Focused on the Wacoal brand 	Independent planning *Production outsourced	<ul style="list-style-type: none"> • Dispatch sales associates to dept. store • Sales channel: mainly dept. store • EC is available, but ratio is low (1-5%)

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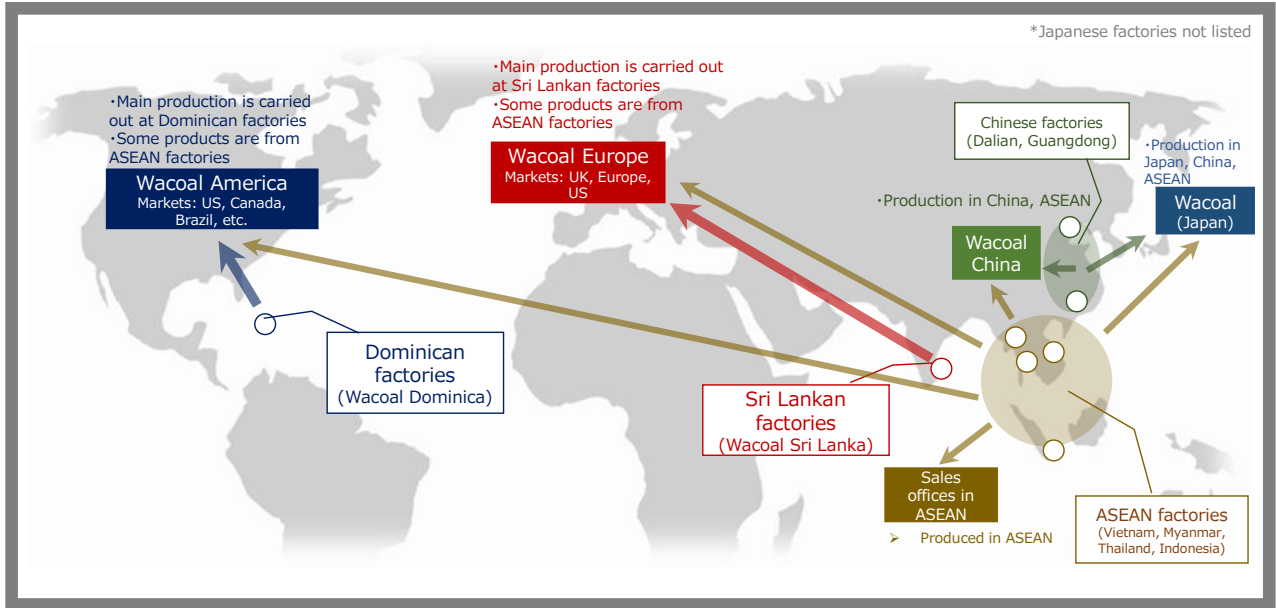
Please see page six. This section describes the business model for our overseas business. Like Wacoal in Japan, we are building the vertically integrated business model in each region, taking care of everything from planning to sales in-house, in order to manufacture and sell products that meet the needs of consumers in each country and region.

Body shapes vary greatly not only by generation and individual, but also by country and region. In order to provide products and services that match the culture, customs, and preferences, the Group has established an integrated manufacturing and sales system that is rooted in the local community, allowing us to respond flexibly to local trends and customer needs.

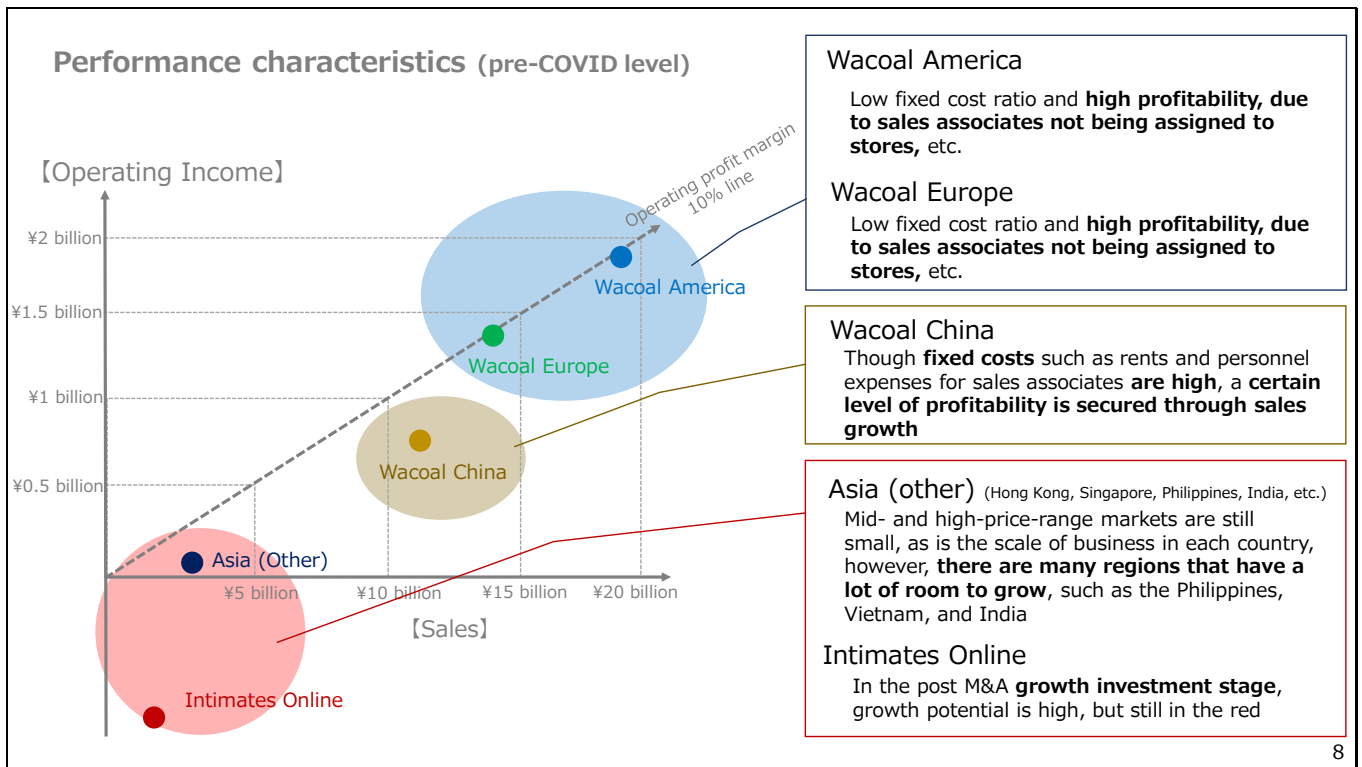
As I mentioned earlier, I was in China previously, and I found that Chinese and Japanese people have very different tastes, even though we are both Asians. The Chinese tend to like red and yellow, and the Japanese tend to like chic colors. Also, shape of the body and breast are completely different, so I think that our marketing activities tailored to each region, rather than trying to standardize everything, has played a successful role in Wacoal's campaign to date.

In addition, in terms of sales style, Europe and the US are different from Japan in that they do not have sales staff in-store. This is related to the business characteristics that I will explain later.

Production structure: Using globally located factories, build a production structure capable of providing a stable supply



Page seven. Here is the summary of the relationship between countries in charge of supply and production for our Group's production system for your reference. The main plant for US business is in the Dominican Republic, and the plant for the European business is in Sri Lanka. By locating factories not only in China and the ASEAN region, but also in Dominica, Sri Lanka, and other locations with easy access to US and Europe, we have built a production system that can respond quickly to customer needs and provide a stable supply.

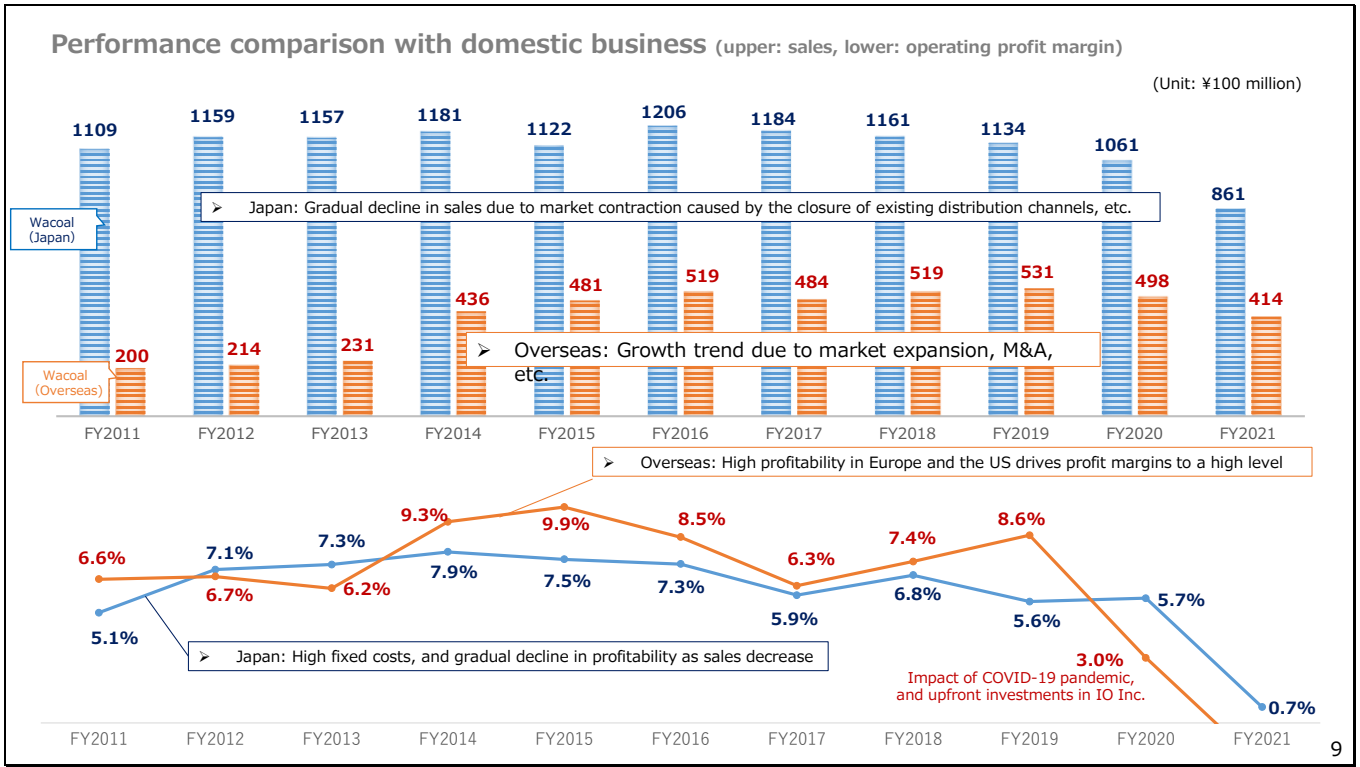


Please see page eight. This is an explanation of the performance characteristics of each major subsidiary, based on the level before the pandemic. In this graph, the horizontal axis is net sales and the vertical axis is operating income. The 45-degree line that runs between the two is the line that indicates an operating margin of 10%. US and Europe, which are circled in blue in the upper right corner, are characterized by not only a large sales scale but also a relatively high profitability with an operating margin of about 10%.

The ratio of fixed costs such as labor costs is low since sales staff are not stationed in stores in US and Europe, as I explained earlier, resulting in high profitability.

Next, Wacoal in China, which is in the middle, has a certain fixed cost burden from stationing sales staff in stores like in Japan. However, the EC business continued to grow and absorbed the burden of fixed cost, that led to maintain a profit margin of about 8%.

In Other Asia, which is circled in red in the lower left corner, the market for medium-to high-end products is still small, as well as business in each country. However, there are many markets with a large room for growth potential, such as the Philippines, Vietnam, and India. As for IO, the company is still in the growth investment stage after the acquisition and continues to incur losses.



Please see page nine. This page shows the transition of sales and operating income ratio of the overseas business in comparison with the one of domestic. In terms of sales, the domestic business has been experiencing a downward trend due to changes in distribution channels, while the overseas business has continued in a growth trend by capturing market expansion and M&A. In terms of profit, we have secured the profit margin that exceeds our domestic business, backed by high profitability in Europe and US.

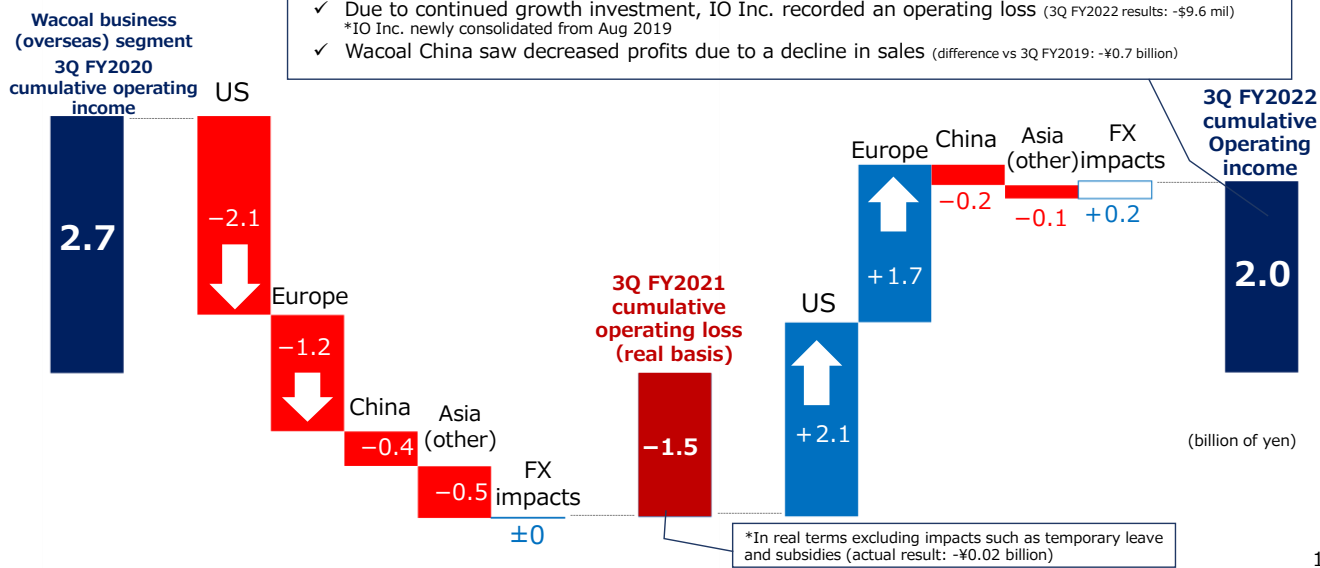
On the other hand, from FY2020 onward, the trends in sales and profit margin of overseas business are changing due to the prior investment in IO and the impact of the coronavirus, so we will explain the current trends on the following pages.

Current business conditions

(Wacoal business (overseas) performance by segment, cumulative through 3Q FY2022)

Half the level of the cumulative operating income of about **¥4 billion** for 3Q FY2019

- ✓ Wacoal America and Wacoal Europe exceeded the results of 3Q FY2019
- ✓ Due to continued growth investment, IO Inc. recorded an operating loss (3Q FY2022 results: -\$9.6 mil)
*IO Inc. newly consolidated from Aug 2019
- ✓ Wacoal China saw decreased profits due to a decline in sales (difference vs 3Q FY2019: -¥0.7 billion)



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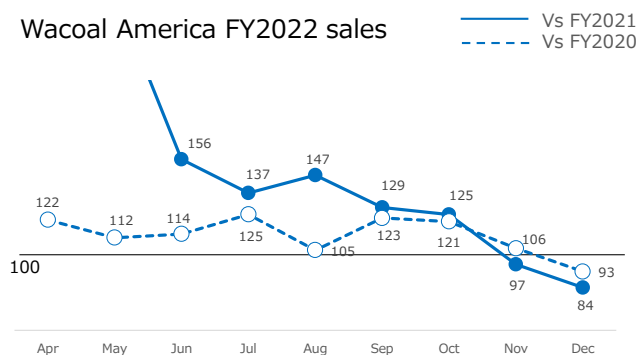
Please see page 10. Here are the current trends. The waterfall chart from left to right shows the factors behind the increase in operating income from the third quarter of FY2020, before the spread of coronavirus, to the current third quarter of FY2021.

First, please take a look at the results for the third quarter of FY2021 in the center. As a result of sluggish performance in each country due to the impact of the coronavirus, operating loss on a real basis was JPY1.5 billion, excluding furloughs, subsidies, and other government support measures.

On the other hand, the current fiscal year saw a certain recovery from the previous fiscal year, with operating income of JPY2 billion, backed by a strong recovery in the US and Europe. However, the level of operation income is half of the one in the third quarter of FY2019, due to the operating loss associated with investment in the growth of IO, a newly consolidated subsidiary, and the decrease in income associated with the struggles of Wacoal China.

Current business conditions, challenges for each company (1)

Wacoal America FY2022 sales



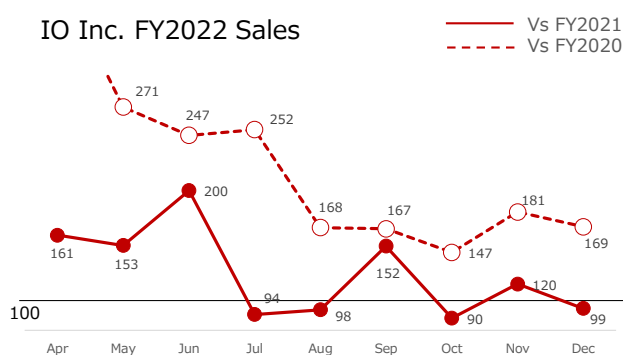
【Business conditions】

- ✓ Business conditions (especially for physical stores) improved significantly with the recovery in consumer spending following the relaxing of COVID-19 restrictions in the US
- ✓ Growing impact of inflation resulting from high crude oil prices and rising labor costs

【Business challenges】

- ✓ **Slowdown in economic recovery momentum, realizing growth for own EC platform**
- ✓ **Cost increase due to soaring raw material prices and transportation costs**

IO Inc. FY2022 Sales



【 Business conditions】

- ✓ Aggressive advertising against the backdrop of the COVID-19 pandemic was successful, resulting in significant growth in the previous year
- ✓ Growth of own EC slowed in FY2022 due to soaring advertising costs and deteriorating marketing efficiency caused by tighter digital privacy regulations

【Business challenges】

- ✓ **Acquire new customers by improving marketing efficiency**
- ✓ **Realize both business scale expansion and profitability improvement**

Please see page 11. In the next two pages, we will explain the current business conditions of our major subsidiaries and the challenges they face. With a recovery in consumer spending in US after the coronavirus restrictions were lifted, the business in Wacoal America improved significantly, especially at brick-and-mortar stores.

On the other hand, the impact of inflation from high crude oil prices and rising labor costs has been expanding since October, and we need to pay close attention to future trends.

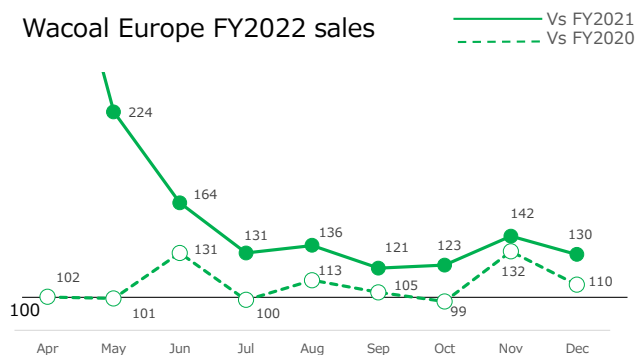
The business challenge in US is how to maintain the growth of our own e-commerce business while the momentum of the economic recovery slows down. Another factor is to cope with the rising costs associated with soaring raw material and transportation costs.

IO has seen a slowdown in the pace of growth in the current fiscal year, comparing to the same period of the previous fiscal year when the aggressive advertising during the pandemic was successful. This is due to soaring advertising costs associated with the economic recovery and deteriorating marketing efficiency caused by tighter digital privacy regulations, which brings more challenges in this fiscal year.

Under these circumstances, challenges of IO are to acquire new customers by improving marketing efficiency, to expand the scale of business and improve profitability by continuing to invest in growth.

Current business conditions, challenges for each company (2)

Wacoal Europe FY2022 sales



【Business conditions】

- ✓ Significant improvement in business conditions against the backdrop of a strong recovery in consumer spending following the easing of COVID-19 restrictions in major regions (UK, US, Europe)
- ✓ Own EC in the UK is growing steadily

【Business challenges】

- ✓ **Develop regions in Europe that have a small sales scale**
- ✓ **Improve digital marketing (strengthen collaboration between offline and online)**

Wacoal China FY2022 sales



【Business conditions】

- ✓ Store sales have been sluggish since July due to tightened restrictions related to the COVID-19 pandemic
- ✓ EC continues to struggle due to intensified competition from emerging brands

【Business challenges】

- ✓ **Realize EC growth once again by increasing brand awareness**
- ✓ **Strengthen brand strategy (product development) for acquiring middle-class customers**

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Please see page 12. Wacoal in Europe has improved significantly with a strong recovery in consumer spending in the UK, the US and Europe, our major regions. In addition to the physical stores, we are also seeing steady growth in our e-commerce business in the UK.

As for business challenges, we need to continue working with some countries like Germany, where we see a lot of room to grow but the sales are still small. Another example is the enhancement of offline and online collaboration through the improvement of digital marketing capabilities.

As for the business situation of Wacoal in China, it remained sluggish at physical stores due to the tighter coronavirus restrictions since July. As for the EC, it also continued to struggle as emerging brands increased their presence. In this situation, the business challenges for Wacoal in China will be to achieve renewed growth in EC by expanding brand recognition and to strengthen its brand strategy to capture the expanding middle class.

As for the performance of major subsidiaries against the plan for the current fiscal year, Wacoal America and Europe are performing above the plan, while IO and Wacoal in China are performing below the plan.

Initiatives aimed at resolving issues

Globally accelerate digital transformation (Promotion of CX strategy)

- Improve the customer experience through store and online integration
- Acquire new customers by strengthening digital marketing
- Develop loyal customers by strengthening data utilization and CRM

Further cultivation of existing Asian market and profitability improvement

- Realize further cultivation of the existing Asian market and improved profitability
 - Rebuild Asian sales structure
 - Expand EC in each market
 - Acquire new customers (China, etc.)

Develop new markets

- Develop markets that have room for sales growth (Germany, India, etc.)



*Specific figures, achievement timing, and three-year strategy and plan figures will be disclosed when the medium-term management plan is announced in June.

Please see page 13. This section summarizes the direction of medium- to long-term initiatives to address issues in the overseas business. The first is to accelerate DX on a global scale. By developing our unique services that integrate offline and online, we will improve the customer experience by differentiating ourselves from our competitors and increase the recognition of our brand in each country's market.

We will also strive to improve the LTV of our customers in each country and region by working to strengthen our digital-based marketing to attract new customers and turn existing customers into loyal customers. In addition, we are targeting 50% of EC sales for the entire overseas business.

The second is to deepen the existing Asian markets and improve profitability. We will achieve sales expansion and profitability improvement by redeveloping the sales system and expanding EC reflecting the characteristics of the Asian market, as well as striving to improve the efficiency of our business. We will also strengthen our product development in order to attract middle-class customers.

The third is to develop new markets. The size of our business tends to be proportional to the size of the middle class population in the market. Like Germany and East India, there are markets where the middle-class population is large, but our sales scale is still small. These markets are having a lot of room to grow for future sales expansion. We will aim to grow in these markets, including through M&A.



Please see page 14. I will now explain the strategies of each of our major subsidiaries, along with market trends and such.

Wacoal Europe

Trends in the Women's Innerwear Market


- The market size of Western Europe is about three times that of Japan. Pre-COVID, the growth rate was about 1% annually
- The COVID-19 pandemic accelerated the closure of department and specialty stores
- The number of retailers offering online services is increasing. Price competition is increasing in the EC market
- Compared to other areas, there are many small manufacturers. As a result, each company's market share tends to be low.

Wacoal Europe Overview

- Market share in each country is less than 1%.
- Pre-COVID, growth was at the same level as the market
- In addition to the economic recovery, as a result of people also using the online service of main channels (specialty stores, department stores), FY2022 sales have recovered to pre-COVID levels
- Future issues include the development of our own EC channel in each region, and the development of regions where the scale of sales is low

Areas of Enhancement Going Forward

- UK: Promotion of CX strategy using our own EC platform and 3D smart & try
 - Start rollout of automated measurements services in the UK
 - Improve the customer experience in physical stores through new services and aim to increase brand recognition and grow our own EC platform by strengthening offline collaboration
 - Start rolling out directly managed stores in the UK in 2022
- Europe: Strengthen development of the German market, which has a lot of room for growth

 smart & try



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Please see page 15. First, let me explain about Wacoal in Europe. The women's innerwear market in Europe is about three times the size of the Japanese market, especially in the Western European region, and has been growing at the rate of about 1% annually until the spread of the coronavirus. In addition, there are many small manufacturers present without a big brand in Europe. The market share of each company is smaller compared to the other markets worldwide. In terms of sales channel trends, the market has become more intense and competitive, not only by bankruptcies in department stores one after another but also an accelerated shift to EC and online service in tandem with retail stores.

One of the points that I would like to strengthen in the future is the promotion of CX strategy using our own EC and 3D smart & try developed in Japan. Last year, we conducted a test marketing campaign for 3D smart & try in the UK and got a great response. In the European region, where people rarely measure their own body shape, we plan to introduce an automatic body measurement service to expand the recognition of our brand.

As for 3D smart & try, we are planning to introduce it in our company-owned stores in the UK in 2022. We plan to roll it out in other countries accordingly. At the same time, we will continue to develop the German market, which has large room for growth.

Wacoal America

Trends in the Women's Innerwear Market

- The size of the market is more than three times that of Japan. Pre-COVID, the growth rate was about 3% annually
- The COVID-19 pandemic accelerated the shrinking of the physical store channel and accelerated the EC expansion trend
- The "body-positive movement" is changing the business structure of competitors (Decline in "Victoria's Secret" market share, rise of D2C brands)

Wacoal America Overview

- Wacoal brand's share of the US market is about 3%
- Department store in-store share is about 20%
- In 2010, Wacoal launched its own EC platform in the US. Since then, stable growth has been achieved
- Also exporting to retailers in Brazil, Mexico, etc.

Areas of Enhancement Going Forward

- Aim for EC-driven growth through active investment in "digital marketing" and "own EC platform"
- Improve CX through the utilization of "digital fitting" apps



Measurement app



Questions about body shape



Product suggestions

- Increase EC sales ratio (medium- to long-term target: 70%) by improving website convenience and strengthening logistics

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Please see page 16. Mr. Kawanishi and Mr. Tsujimoto will explain the business strategies for the US and China. First, let's look at the strategy for the two US companies. Please, Mr. Kawanishi.

Kawanishi: Good morning, everyone. My name is Kawanishi. I will now explain our business in the US. First of all, the women's innerwear market in the US is about three times larger than the Japanese and was growing at about 3% per year until the spread of coronavirus.

Victoria's Secret was the dominant player in this market for a long time, but in the past few years, trends shifted into body positivity and body neutrality. With the trend shift, we see change in customer sympathy, and we are working to respond to it.

In terms of sales channels, there has been the trend of shrinking in physical retail shops and expanding in e-commerce for some time. This trend is accelerating in the wake of the coronavirus. We assume that the market share of the Wacoal brand in the US is about 3%. Our in-store market share in the department store, where we have built our brand position over the years, is as high as 20%. We see that our brand values of best fit and high quality are supported by many customers.

We have also been able to catch up with the shift to e-commerce early on, with launching our own EC in 2010, as mentioned earlier. Because of this, we have been able to respond to the current rapid acceleration of the shift to e-commerce.

The future enhancement point of Wacoal America is to realize the growth of own EC by strengthening digital marketing. By aggressively investing in digital marketing, we will aim to grow mainly through e-commerce.

To strengthen our EC, we introduced mybraFit, a digital fitting app, in May last year. With this app, we can provide the products that are the most suitable to customers' needs through body measurements on smartphones.

In addition to the decrease in the number of store visits due to the coronavirus, it is not common to have an in-person service to figure out one's body shape and sizes of underwear while shopping at retail stores in the US, so we believe that an enhancement of this app will improve customer satisfaction.

We will keep improving the accuracy of the app as we see the number of visitors to our EC site and the average order value tend to increase after the launch of the app. As we continue with these efforts, we hope to increase our e-commerce ratio from the current 40% to 70% in the long term.

In addition to strengthening the marketing side, we are also strengthening other systems such as logistics that will support future e-commerce growth.

Intimates Online (IO Inc.)

About IO Inc.

- Plans and sells innerwear and other products under the LIVELY brand name
- Acquired in July 2019 with the aim of growing in the US market and capturing millennial customers
- Develops products with a unique world view and distinctive digital marketing utilizing social media

IO Inc. Overview

- Substantial growth in FY2021 due to the success of aggressive advertising investment against the backdrop of the COVID-19 pandemic
- Growth of own EC slowed in FY2022 due to soaring advertising costs and deteriorating marketing efficiency caused by tighter digital privacy regulations
- Started dealings with major retailer Target Corporation in February 2021

Areas of Enhancement Going Forward

- Increase the number of ambassadors and customers by enhancing brand power through better marketing (Start establishing new advertising and promotional methods early to replace targeted advertising)
- Aiming to achieve sales of \$100 million, continue with aggressive investment to increase brand awareness for the time being, while working to improve profitability in areas such as production, logistics, and inventory management
- Expect to break-even in March 2024, one year later than originally planned



Directly operated
LIVELY store
(currently 4 stores)



Target, with whom operations
were started last year
(currently 400 stores)

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Please see page 17. Next, I would like to explain about Intimate Online, Inc. Lively is IO's brand, which is mainly supported by Generation Z and millennials for its unique product lineup and distinctive digital marketing using social network services.

We acquired IO in July 2019 with the aim of achieving sustainable growth in the US and attracting customers from Generation Z and Millennials. Since the acquisition, we have been able to achieve high growth despite in the pandemic, by investing in advertisement aggressively.

However, in the current fiscal year, we have entered to the adjusting stage, as the growth speed of our EC has slowed down, partly due to soaring advertising costs and deteriorating marketing efficiency caused by tighter digital privacy regulations.

As for the points to work on for the future, we will continue to invest aggressively in marketing to enhance our brand power, and work to expand sales by acquiring new customers. At the same time, we will strive to improve management efficiency by demonstrating synergy with Wacoal America, in terms of production, logistics, etc.

We are currently examining new methods of advertising sales promotion to replace targeted advertising, and planning to establish it as soon as possible. Due to the decline in marketing efficiency, we plan to achieve break-even in FY2024, one year later than originally planned, but we will continue to steadily evolve our business.

In the next three-fiscal year plan, one of the goals is to achieve USD100 million in sales, and after that, we plan to switch its marketing focus from acquisition to retention in order to improve profitability significantly. This is the end of my presentation on the US business.

Wacoal China

Trends in the Women's Innerwear Market

- The largest market in the world, about five times larger than the market size of Japan
- Against the backdrop of an expanding middle class, market growth was over 5% annually prior to the COVID-19 pandemic
- A characteristic is the difference between the EC and physical store customer bases. In EC, emerging Chinese domestic brands are gaining the support of the middle class through affordable products and strong marketing.

Wacoal China Overview

- Market share is less than 1%
- The share of the department store market is under 20%. There are several competitors, including local brands
- In EC, which has been driving growth, positioning has declined due to the rise of emerging brands (Tmall accounts for about 90% of total 3rd party EC sales)

Areas of Enhancement Going Forward

- Strengthen development of brands and products that match the characteristics of customers and distribution channels, and coordinate with CRM activities
 - Increase customers by strengthening the development of high-value-added products and enhancing the linkage between physical stores and EC
 - Foster loyalty among existing customers by strengthening CRM and data utilization
 - Implement a new product strategy to capture the middle class in the EC business
- Regarding physical stores, strengthen directly managed stores by opening in malls and other locations in addition to department stores



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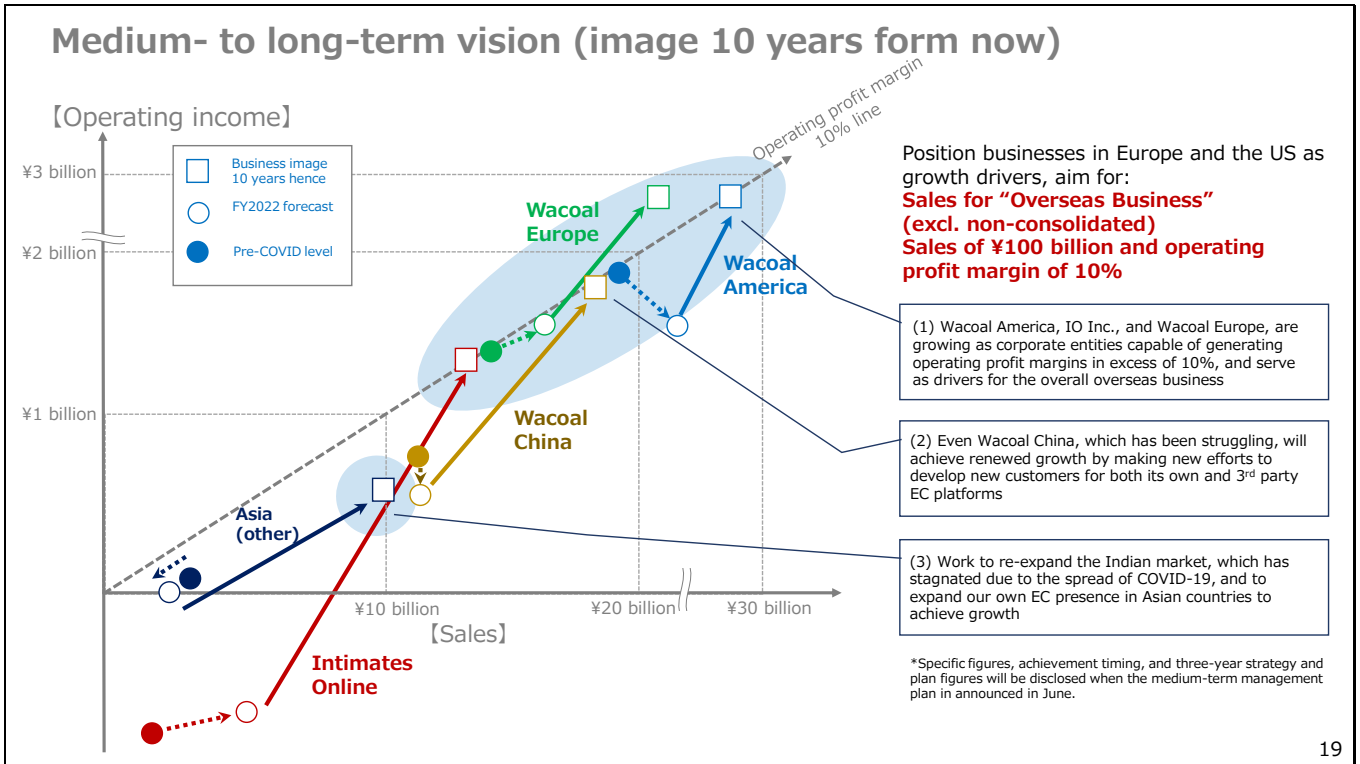
Tsujimoto: Now, I will explain about the situation in China. Please see page 18. First, the women's inner wear market in China is the world's largest market, about five times the size of the Japanese market. With the expansion of the middle class and other factors, the market growth rate continues to be high, exceeding 5% per year.

One of the characteristics of the market is that the customer base is different between physical stores such as in department stores and e-commerce. Also in the EC market, emerging Chinese domestic brands are rapidly increasing their presence amidst the pandemic, with affordable prices and strong marketing.

In such a market, although Wacoal in China has a certain share of about 20% in department stores, the overall market share is less than 1% in China, and our brand recognition is low. In addition, we recognize that our positioning in EC, where the core of purchasing is from the middle-class people, is gradually declining, and we recognize this as a challenge.

The key point for future enhancement will be to strengthen the development of brands and products that meet the characteristics of customers and distribution channels. We will continue to strengthen the development of high value-added products, which is one of our strengths, and at the same time, we will work to acquire new customers and turn existing customers into loyal customers by collaborating online and offline and strengthening our CRM strategy.

In addition, we will aim for renewed growth by developing a new product strategy based on customer characteristics to capture the middle-class. As for retail stores, we plan to strengthen in opening of company-owned stores at malls and such, in order to expand our contact with the middle-class, not only department stores which mainly target wealthy people. That was my presentation about our business in China.



Yajima: Now let's go to the last page, page 19. Finally, this is our vision for the 10-year range for each business overseas, in comparison with the current situation. The filled circles are the pre-pandemic levels. The white circles are the projected levels for the current year, and the white squares are our image of 10 years in the future.

We have set a long-term target of JPY100 billion in sales and an operating margin of 10% for our overseas business as a whole, and we are continuing to lead the growth of the Wacoal Group. For Wacoal America and Wacoal Europe, we would like to maintain operation margin of 10% as standard, and we hope to achieve top-line growth while using EC growth as a driver, which is enhanced with digital marketing.

For IO, we are also targeting an operating margin level of 10% in the medium to long term. As for Wacoal in China, which continues to struggle at present, we will achieve renewed growth and improved profitability by working to develop prospective customers in our own EC and as well as with others. In other Asian regions, in addition to developing the East Indian market, we will strive to expand our own EC in the area. The specific figures and timing of achievement, as well as the strategies and plans for the next three years, will be disclosed in June, when the medium-term management plan will be announced. Thank you very much for your attention.

Komatsubara: That's all for our presentation.

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